

319/739

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)
)
AMERICAN RESORTS)
SWALLOWTAIL, INC.)
)
TO)
)
SWALLOWTAIL AT SEA PINES)
HORIZONTAL PROPERTY REGIME)
LXXVII)

MASTER DEED
TEN PHASED

HORIZONTAL PROPERTY REGIME

WHEREAS by Master Deed dated the 27th day of September, 1979 and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 289 at Page 1071 an eighteen phased Horizontal Property Regime was established know as "Inland Harbour Horizontal Property Regime LXXIV"; and

WHEREAS, in the aforementioned Master Deed the owner reserved the right to not develop any or all real property designated as Phases II to XVIII in accordance with the Master Deed; and

WHEREAS, the owner, TWELFTH FAIRWAY JOINT VENTURE conveyed the real property designated as Phase VIII and Phases X through XVIII to American Resorts Spa., Inc. by deed dated the 31st day of January, 1980 and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 296 at Page 786; and

WHEREAS, by amendment of the Articles of Incorporation American Resorts Spa., Inc. has changed its name to American Resorts Swallowtail, Inc.; and

WHEREAS, American Resorts Swallowtail, Inc. is not desirous of developing the property acquired from Twelfth Fairway Joint Venture in accordance with the Master Deed of Inland Harbour

Beaufort County Tax Map Reference
Map 12 Parcel 1184 Blk Dist 024

Horizontal Property Regime LXXIV but is desirous of establishing its own Horizontal Property Regime;

NOW THEREFORE, THIS MASTER DEED is made, published and declared by AMERICAN RESORTS SWALLOWTAIL, INC. (hereinafter referred to as "Grantor"), a South Carolina Corporation with a principal office and place of business at Hilton Head Island, South Carolina, this 1st day of April, 1981.

ARTICLE I.

ESTABLISHMENT OF HORIZONTAL PROPERTY REGIME

Section 1. General. The purpose of this Master Deed is to establish, pursuant to the Horizontal Property Act of the State of South Carolina, a ten (10) phased horizontal property regime to be known as Swallowtail at Sea Pines Horizontal Property Regime LXXVII (hereinafter referred to as Regime and/or Swallowtail at Sea Pines). The land and improvements to be submitted to the provisions of the Horizontal Property Act and to the terms of this Master Deed are described in their totality herein. Grantor, by filing of record of this Master Deed, publishes and declares that the condominium property improved by phases in accordance with the provisions of the Horizontal Property Act of the State of South Carolina, and in accordance with the covenants, restrictions, encumbrances and obligations set forth or incorporated by reference in this Master Deed, all of which shall be deemed to be covenants and obligations running with the land.

Construction on Phase IX will start no later than January 1, 1986. Estimated completion date is October 31, 1986.

Phase X

<u>Number of Units</u>	<u>Unit Numbers</u>
Four	2903 2904 2905 2906

Construction on Phase X will start no later than January 1, 1987. Estimated completion date is October 31, 1987.

Grantor hereby reserves the right in its sole discretion to elect to develop or not to develop and to submit or not to submit to condominium ownership any Phase and further reserves the right to determine in its sole discretion to develop and submit any Phase to condominium ownership without regard to any other Phase development and submission should it, the said Grantor, so decide. A general description of the nature and proposed used of all common elements which the Grantor is constructing appears in other portions of this document and on the recorded Plat identified in Exhibit "B" of this Master Deed. Any such common elements associated with or constructed solely with Phase II through X will not substantially increase the proportionate amount of the common expenses payable by existing unit owners and are considered of a minor, incidental nature. A chart showing the percentage of interest in the common elements of each unit owner at each stage of development, if the Grantor herein submitted the property to condominium ownership elects to proceed with other phases of development, is attached hereto as Exhibit D.

Section 3. Rights and Obligations. Grantor hereby acknowledges its obligation to submit herewith the within described

Section 2. General Description of Plan of Development.

Grantor intends to develop the property hereafter described as a ten (10) phased condominium regime. The number of units in each phase, the numbers assigned to each unit, the dates construction will commence on each phase and the estimated dates of completion are as follows:

Phase I

<u>Number of Units</u>	<u>Unit Numbers</u>
Five	2872 2873 2874 2875 2876

Construction on Phase I will start no later than January 1, 1981. Estimated completion date is October 31, 1981.

Phase II

<u>Number of Units</u>	<u>Unit Numbers</u>
Five	2877 2878 2879 2880 2881

Construction on Phase II will start no later than January 1, 1981. Estimated completion date is October 31, 1981.

Phase III

<u>Number of Units</u>	<u>Unit Numbers</u>
Five	2882 2883 2884 2885 2886

Construction on Phase III will start no later than January 1, 1983. Estimated completion date is October 31, 1983.

Phase IV

<u>Number of Units</u>	<u>Unit Numbers</u>
Two	2870 2871

Construction on Phase IV will start no later than January 1, 1983. Estimated completion date is October 31, 1983.

Phase V

<u>Number of Units</u>	<u>Unit Numbers</u>
Two	2887 2888

Construction on Phase V will start no later than January 1, 1984. Estimated completion date is October 31, 1984.

Phase VI

<u>Number of Units</u>	<u>Unit Numbers</u>
Five	2889 2890 2891 2892 2893

Construction on Phase VI will start no later than January 1, 1984. Estimated completion date is October 31, 1984.

Phase VII

<u>Number of Units</u>	<u>Unit Numbers</u>
Two	2894 2895

Construction on Phase VII will start no later than January 1, 1985. Estimated completion date is October 31, 1985.

Phase VIII

<u>Number of Units</u>	<u>Unit Numbers</u>
Two	2896 2897

Construction on Phase VIII will start no later than January 1, 1985. Estimated completion date is October 31, 1985.

Phase IX

<u>Number of Units</u>	<u>Unit Numbers</u>
Five	2898 2899 2900 2901 2902

Construction on Phase IX will start no later than January 1, 1986. Estimated completion date is October 31, 1986.

Phase X

<u>Number of Units</u>	<u>Unit Numbers</u>
Four	2903
	2904
	2905
	2906

Construction on Phase X will start no later than January 1, 1987. Estimated completion date is October 31, 1987.

Grantor hereby reserves the right in its sole discretion to elect to develop or not to develop and to submit or not to submit to condominium ownership any Phase and further reserves the right to determine in its sole discretion to develop and submit any Phase to condominium ownership without regard to any other Phase development and submission should it, the said Grantor, so decide. A general description of the nature and proposed use of all common elements which the Grantor is constructing appears in other portions of this document and on the recorded Plat identified in Exhibit "B" of this Master Deed. Any such common elements associated with or constructed solely with Phase II through X will not substantially increase the proportionate amount of the common expenses payable by existing unit owners and are considered of a minor, incidental nature. A chart showing the percentage of interest in the common elements of each unit owner at each stage of development, if the Grantor herein submitted the property to condominium ownership elects to proceed with other phases of development, is attached hereto as Exhibit D.

Section 3. Rights and Obligations. Grantor hereby acknowledges its obligation to submit herewith the within described Phase I property to condominium ownership and hereby reserves its

right to elect to proceed with either or all of Phases II through X, as required and/or permitted herein. The unit owners of Phase I and any additional phases dedicated to the Regime by Grantor as provided herein shall have the full legal rights and be obligated as allowed or required by South Carolina law. The Condominium Unit Owners by purchasing and accepting a unit of the property hereby acknowledge that further phase construction and dedication by Grantor shall diminish the percentage of ownership in the common property as described and provided in Exhibit D hereto and in other applicable portions of this Master Deed. The Grantor shall add the additional Phases to the provisions hereof by filing of record an appropriate document signed by the Grantor and referencing this Master Deed. Upon the proper recordation thereof, the added Phase(s) shall become an integral portion hereof as provided by the laws of this State and by this document.

Section 4. Reservations. Grantor hereby reserves unto itself, its successors and assigns, the following options to be exercised at its sole discretion, within the time limits set forth in Section 2, above, to-wit:

- a) To develop or not to develop and to submit or not to submit to condominium ownership or interval ownership any, all or portions of Phases II through X.
- b) To change or modify this document and its exhibits, subsequent contingent documents and their exhibits, and the design, construction, type, order, number, value and proportionate interest of subsequent Phases, buildings or condominiums.
- c) To submit or not to submit any or all of the condominiums in Phases II through X to interval ownership (see Declaration of Interval Ownership, Rights, Restrictions, Affirmative Obligations, Conditions, Etc., which is made a part hereof by reference as though more fully set forth herein, recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 319 at Page 809, hereinafter referred to as the Declaration of Interval Ownership).

ARTICLE II

CONDOMINIUM PROPERTY

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Section 1. Land. The Grantor is the sole owner of the land containing a total of 5.843 acres, of which Phase One is 7.48 acres, described as Exhibit "A" herein which is more particularly shown on the plat thereof, said plat being designated as Exhibit "B" and being attached hereto and made a part hereof and being recorded in the Office of the Clerk of Court for Beaufort County South Carolina, in Plat Book 29 at Page 89 .

Section 2. Condominium Units; Location and Description.

The Grantor does hereby, by duly executing this Master Deed, submit the land referred to in Section 1, together with the buildings and improvements erected thereon, and all easements, rights and appurtenances belonging thereto (hereinafter referred to as the "Property") to the provisions of the Horizontal Property Act of South Carolina, and does hereby state that it proposes to create and does hereby create, with respect to the Property, a Horizontal Property Regime in ten (10) proposed phases that shall be known as Swallowtail at Sea Pines Horizontal Property Regime LXXVII to be governed by and subject to the provisions of this Master Deed and the provisions of the Horizontal Property Act of South Carolina.

That the improvements constructed on and forming part of the Phase I Property are constructed in accordance with the plot plan and floor plans identified as Exhibit "C" hereto and made a part hereof which plans are certified by Lee and Partners, Architects, registered architects duly licensed to practice in the State of South Carolina.

The Condominium units of this Horizontal Property Regime are enclosed or will be enclosed within the following buildings:

This unit is made up of a service yard, entry deck, entry foyer with a coat closet and mechanical closet, kitchen, dining space, living space, stairwell, two bedrooms, two baths and a sitting room.

Entrance is into a foyer containing 61.42 square feet. The foyer contains a coat closet of 3.34 square feet and a mechanical closet of 9 square feet which contains the furnace. Off the foyer is the kitchen which contains 106.72 square feet. The kitchen also contains all cabinets and appliances including a washer and dryer. Also off the foyer is a bedroom containing 155 square feet. The bedroom also contains a closet of 10.68 square feet. Leading from this bedroom and also from the foyer is a bath that contains 52.4 square feet and also contains a linen closet of 3.34 square feet and five shelves. Leading from the foyer is a dining, living space. The dining space contains 144 square feet. (Exterior units slightly larger. See footnote).** The living space contains 213.77 square feet. Leading from the living space is a deck containing 106.72 square feet. Also leading from the living, dining space is a stair to the second floor. This stair including landing and open space underneath contains 121.38 square feet. Leading from the stair at the second floor is a sitting room containing 181.07 square feet. Leading from this sitting room is another bedroom which contains 186.42 square feet. Opening to both the sitting room and bedroom is a closet which contains 7.66 square feet and a cabinet area which contains 9 square feet. Leading from the bedroom is a bath which contains 82.17 square feet. Leading from the bath and part of this bath is an area containing a shower and water closet which has 26.01 square feet. Also leading from the bath is a closet which contains 42.68 square feet. This closet also contains the water heater. Access to an attic space is from this closet.

The unit contains a total net heated area of 1,415.91 square feet.

Not included in the area but part of the unit are the following: A service yard containing 109.17 square feet and the air-conditioning compressor, the entry deck which contains 27.5 square feet and the deck from living area mentioned above.

**Square footage of dining room on exterior unit is 155.69 square feet. Total net heated area of exterior unit is 1,427.60 square feet.

(SEE PAGE A-69 FOR AMENDMENT TO DESCRIPTION)

Section 3. Common Elements. The Common Elements either General or Limited, of the entire Condominium Property, are exclusive of the Condominium Units, as shown on the Plot Plan contained in Exhibit "C" of this Master Deed.

Section 3.1. The General Common Elements shall include without limitation the following, if present, to-wit:

(a) The land upon which the building enclosing the Condominium Units are situated, the paved parking areas, the walkways, the building area under roof except individual apartments, and the remaining common areas surrounding the Condominium Units, and all easements, rights and hereditaments appur-

tenant to the Land described in Exhibit "A" and shown on the Plot Plan contained in Exhibit "C". Reference to said Plot Plan is craved for details as to square footage, etc., exclusive of Limited Common Elements hereafter described.

(b) All improvements exclusive of the Condominium Units and Limited Common Elements, erected, or which may be erected in future phases of this Regime, upon the land described in Exhibit "A", including without limitation: 1) The roofs covering the Condominium Unit including shingles, roofing felt, sheathing, and flashing; 2) The exterior siding, fascia, sheathing and building paper on the buildings enclosing the Condominium Units; 3) The pipes, wires, conduits, pumps, motors and other equipment installed to provide utility service to the Condominium Units or to portions of the Common Elements, provided, however, that title to all water and sewer pipes, pumps, mains and accessory equipment shall be, and hereby is, reserved to Grantor, its successors and assigns; 4) The roads, streets, parking areas, street signs, storm draining, guttering, retaining walls, walkways, paths, trees, gardens, and landscaping located upon the land; 5) Any pier or dock extending from the Land; 6) Any swimming pool, bath house, and other recreational facilities which may now or hereafter be located upon the Land, and 7) All other elements of the Condominium Property rationally of common use or necessary to its existence, maintenance and safety.

Section 3.2. The Limited Common Elements shall include the following, if present, to-wit:

The rear and front yards and service areas (shown on the Plot Plan attached hereto and identified as Exhibit "C") adjacent to each Condominium Unit, the fences, screening the ser-

vice area and the patios adjacent to each Condominium Unit, if any, and all other common elements associated with more than one Condominium Unit but not all of these Condominium Units.

ARTICLE III.

DEFINITIONS

As used in this Master Deed and By-Laws and Exhibits attached hereto, and all amendments thereof, unless the context otherwise requires, the following definitions shall prevail:

1) "The Property" means the total of 5.843 acres of land ("Land") described in Exhibit "A"; the buildings constructed or to be constructed in future phases upon the Land, situated as shown on the Plat of the Condominium Property contained in Exhibit "B" or on future plats dedicating future phases to the Regime as prescribed herein; the proposed Condominium Units which are or may be enclosed within such buildings as described verbally in Article II of this Master Deed and which are portrayed graphically on the Plans contained in Exhibit "C" or on future plats dedicating future phases to the Regime as prescribed herein; and all other improvements and property, real, personal and mixed, situated upon or appurtenant to the Land, which are or which may be made part of Swallowtail at Sea Pines Horizontal Property Regime LXXVII.

2) "Master Deed" means this instrument, as it may from time to time be amended.

3) "Association" means Swallowtail at Sea Pines LXXVII Owners Association, Inc., a South Carolina non-profit Corporation, said entity is responsible for the operation of the Condominium. During any period when a Management Agreement is in effect, any rights or responsibilities of the Association shall also be the rights and responsibilities of the Management Firm under said Management Agreement. The Association referred to herein is one and the same as the Association referred to in the Declaration of Interval Ownership.

- 4) "By-Laws" means the By-Laws of the Swallowtail at Sea Pines Horizontal Property Regime LXXVII, Declaration of Interval Ownership and Swallowtail at Sea Pines Owners Association as it may be from time to time amended. See Deed Book 319 at Page 781 .
- 5) "Common Elements" means the portions of the Condominium property not included in the Units. Common Elements shall include the tangible personal property required for maintenance and operation of the Condominium, even though owned by the Association.
- 6) "Limited Common Elements" means and includes those common elements which are reserved for the use of a certain unit or units, to the exclusion of all other units.
- 7) "Condominium" means that form of ownership of Condominium property under which units of improvements are subject to ownership by one or more owners, and there is appurtenant to each unit, as part thereof, an undivided share in the common elements.
- 8) "Horizontal Property Act" means and refers to the Horizontal Property Act of the State of South Carolina, Title 27, Chapter 31, Code of Laws of South Carolina, 1976, (as amended) and all references to the "Horizontal Property Act" adopted and enacted from time to time.
- 9) "Common Expenses" means the expenses for which the unit owners are liable to the Association.
- 10) "Common Surplus" means the excess of all receipts of the Association including, but not limited to, assessments, rents, profits and revenues on account of the common elements, over and above the amount of common expenses.
- 11) "Condominium Property" means and includes the land in a Condominium, whether or not contiguous, and all

improvements thereon, and all easements and rights appurtenant thereto, intended for use in connection with the Condominium.

12) "Assessment" means a share of the funds required for the payment of common expenses which, from time to time, are assessed against the unit owners.

13) "Condominium Parcel" or "Parcel" means a unit, together with the undivided share in the common elements which are appurtenant to the unit.

14) "Condominium Unit" or "Unit" is a Unit referring to each of the separate and identified units delineated in the Plat attached to the Master Deed as Exhibit "B" and when the context permits, the Condominium parcel includes such unit, including its share of the common elements appurtenant thereto.

15) "Unit Owner" or "Owner of Unit" or "Parcel Owner" means the owner of a Condominium parcel in fee simple.

16) "Developer" and/or "Grantor" means American Resorts Swallowtail, Inc., a South Carolina corporation, its successors and assigns.

17) "Institutional Mortgagee" means a Bank, Savings and Loan Association, Insurance Company or Union Pension Fund authorized to do business in the United States of America, an Agency of the United States Government, a real estate or mortgage investment trust, a lender generally recognized in the community as an Institutional type lender or the Developer/Grantor, its successors and assigns when it takes a purchase money mortgage.

18) "Occupant" means the person or persons, other than the unit owner, in possession of a unit.

19) "Condominium Documents" means this Master Deed, the By-Laws and all Exhibits annexed hereto, as the same may be amended from time to time.

20) "Board of Administration" or "Board of Directors" or "Board" means the representative body responsible for administration of the Association.

21) "Management Agreement" means and refers to that certain Agreement which provides for the management of the Condominium property.

22) "Management Firm" means and refers to the entity identified as the Management Firm in the Management Agreement, its successors and assigns. The Management Firm shall be responsible for the management of the Condominium property as provided in the Management Agreement.

23) "Recreational Area" means the herein described area of the Property and some of the common amenities associated with Condominium Property as may be shown on the Plat.

24) "Association Properties" means such property as is owned by the Association from time to time in accordance with the terms of this Master Deed.

25) Unless the context otherwise requires all other terms in this Master Deed shall be assumed to have the meaning attributed to the said term by Horizontal Property Act of the State of South Carolina, Title 27, Chapter 31, Code of Laws of South Carolina, 1976, as amended, as of the date of this Master Deed.

26) The following definitions shall refer only to those units committed to and sold under a plan of "Interval Ownership":

a. "Interval Ownership" is a concept whereby units and the share of the common elements assigned to the unit are conveyed for periods of time, the purchaser receiving a stated time period for a period of years, together with a remainder over in fee simple as tenant in common with all other purchasers of "Unit Weeks" in each such Condominium Unit in the year 2040.

b. "Unit Week" means a period of ownership in a Unit committed to Interval Ownership.

"Unit Weeks" are computed as follows:

Unit Week No. 1 is the seven (7) days commencing on the second Friday in each year. Unit Week No. 2 is the seven (7) days succeeding. Additional weeks up to and including Unit Week No. 51 are computed in a like manner. Unit Week No. 52 contains the seven (7) days succeeding the end of Unit Week No. 51 without regard to the month or year plus any excess days not otherwise assigned. Unit Weeks run from noon on the first Friday of the period to noon on the last Friday of the period.

c. A "Unit Committed to Interval Ownership" shall be any unit sold under a plan of Interval Ownership.

ARTICLE IV.

SWALLOWTAIL AT SEA PINES OWNERS' ASSOCIATION, INC.

Section 1. Formation. Each Condominium Unit Owner shall be a member of Swallowtail at Sea Pines Owners' Association, Inc. (hereinafter referred to as "Association"), a South Carolina Non-Profit Corporation existing under the laws of the State of South Carolina. The Association shall be managed by a Board of Directors elected by and from the Condominium Unit Owners.

Section 2. By-Laws. The affairs of the Association and the administration of the Condominium Property shall be governed by the provisions of this Master Deed and the Declaration of Interval Ownership and the By-Laws, a copy of which is attached hereto as Exhibit E. The By-Laws of the Association may be amended from time to time, but only in the manner expressly provided in the By-Laws.

Section 3. Voting. On all matters relating to the Association or to the Condominium Property upon which a vote of the Condominium Unit Owners is taken, the Condominium Unit Owner shall vote in proportion to their respective interests in the

Common Elements as set forth in Exhibit D. Any motion shall carry if it received the affirmative vote of a simple majority of Condominium Unit Owners, unless a different majority is specified in this Master Deed or in the By-Laws. A simple majority of the Condominium Unit Owners shall consist of fifty-one (51%) percent of the total interest in the Common Elements.

Section 4. Binding Effect. All agreements, decisions, and resolutions legally made by the Association in accordance with the provisions of this Master Deed and the By-Laws shall be binding upon all Condominium Unit Owners.

Section 5. Management Firm. The responsibility for administration of the Condominium Property may be delegated by the Association to a professional management firm. By proper resolution of the Association, such a management firm may be authorized to assume any of the functions, duties, and powers assigned to the Board of Directors in the By-Laws or in this Master Deed.

ARTICLE V.

CONDOMINIUM UNIT--OWNERSHIP AND USE

Section 1. Ownership of Condominium Unit. Each Condominium Unit, together with its undivided interest in Common Elements, shall constitute a separate parcel of real property, and each Condominium Unit Owner shall be entitled to exclusive ownership and possession of his/her Condominium Unit, subject to: 1) The provisions of this Master Deed and the easements, restrictions, covenants and encumbrances set forth herein; 2) Declaration of Covenants, Restrictions and Affirmative Obligations Applicable to All Class "B" Multi-Family Residence Areas as recorded in Deed Book 124 at Page 35 in the Office of the Clerk of Court for Beaufort County, South Carolina, and any recorded additions or amendments thereof; 3) The By-Laws of

the Association, as they may be amended from time to time, together with the regulations and resolutions that may be adopted by the Association or its Board pursuant to the By-Laws; 4) The Horizontal Property Act of the State of South Carolina; 5) The provisions of those covenants and restrictions recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 319 at Page 809; and (6) At the option of the Developer, the Declaration of Interval Ownership recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 319 at Page 809.

Section 2. Legal Description. Each Condominium Unit may be sufficiently described for purposes of deeds, mortgages, leases, and other conveyances by referring to its designated unit number and letter and by reciting that it is part of Swallowtail at Sea Pines Horizontal Property Regime LXXVII established by this Master Deed. The conveyance of an individual Unit shall be deemed to convey the undivided interest in Common Elements appurtenant to that Unit. The ownership of an undivided interest in Common Elements appurtenant to a Unit shall be inseparable from the Unit and no such undivided interest may be conveyed or encumbered except as an appurtenance to the Unit.

Section 3. Maintenance and Repair. Every Unit Owner shall be responsible at his own expense for maintaining, repairing, and decorating all walls, ceilings, floors, and other elements of his Unit as defined in Article II, Section 2, (except Units committed to interval ownership). However, no Unit Owner shall make structural modifications or alterations to his Unit, nor shall any Unit Owner alter any door, window, vent, flue terrace, deck, balcony or courtyard without obtaining prior written approval of the Board. Written notice of any intended modification shall be given to the Board, setting forth details and requesting approval. The Board shall consider the request and decide whether approval

shall be granted. The Board shall advise the Unit Owner of its decision in writing within One Hundred Twenty (120) days from the receipt of the request. Nothing in this section shall relieve the Unit Owner from obtaining approval for alterations required by other applicable covenants or restrictions. No Unit Owner shall undertake to modify any portion of the Common Elements.

ARTICLE VI.

COMMON ELEMENTS--OWNERSHIP AND USE

Section 1. Ownership of Common Elements. Each Unit Owner, either of the initial Phase or hereafter established Phase(s), shall own as an appurtenance of his Unit the undivided interest in the Common Elements specified in Exhibit D. The percentage interest set out therein represent the values of each Unit in proportion to the total value of the Property, as well as the proportionate representative for voting purposes in the meeting of the Association. For the purposes of this instrument, the total value of the Property herein is FIVE MILLION FIVE HUNDRED FIFTY THOUSAND Dollars for all Phases. The values for the individual Phases are as listed in Exhibit D hereto. The stated individual value for each Unit indicated in Exhibit D shall not be deemed to establish or limit the price for which the Property or any Unit may be sold or exchanged.

Section 2. No Partition. So long as this Master Deed has not been terminated in accordance with the provisions of Article XII, and so long as two-thirds (2/3) of the Condominium Property has not been substantially destroyed within the meaning of Article X, the Common Elements shall remain undivided; and no Unit Owner shall have the right to bring any action for partition or division.

Section 3. Use of Common Elements. Each Unit Owner shall have the right to use the Common Elements for their in-

tended purposes in common with all other Unit Owners. Each Unit Owner shall have also a non-exclusive easement appurtenant to his Unit for ingress and egress over the Common Elements for access to and from his Unit, which shall extend to the family members, guests, agents and servants of the Unit Owner. All rights to use and enjoy the Common Elements shall be subject to the provisions of the Horizontal Property Act, this Master Deed, the Class "B" covenants, the By-Laws of the Association, and all rules and regulations adopted by the Association pursuant to the By-Laws (In cases where units are committed to Interval Ownership - the Declaration of Interval Ownership).

Section 4. Operation and Maintenance. The maintenance, repair, replacement, management, operation and use of the Common Elements shall be the responsibility of the Board, and the expenses incurred for such purposes shall be assessed as Common Expenses. The Board may, however, delegate these duties to a management firm.

ARTICLE VII.

COMMON EXPENSES

Section 1. Enumeration of Expenses. Each Unit Owner shall bear in proportion to his respective interest in the Common Elements the following expenses:

Section 1.1. Expenses incurred in operating, maintaining, improving, repairing and replacing the Common Elements.

Section 1.2. Expenses incurred in operating, maintaining, improving, repairing, insuring, replacing, etc. the swimming pool and other associated amenities, located as described in Exhibit A in common and in proportion of total unit value with other owners of past or future phases of Swallowtail at Sea Pines, if any, constructed upon the remaining acreage undedicated to condominium ownership described in Exhibit A as a 5.843 acre tract.

Section 1.3. Expenses incurred in administering the affairs of the Association including salaries, wages and any compensation paid to a management firm for such purpose.

liability insurance and hazard insurance adequate to cover the Condominium Property, exclusive of Unit contents and furnishings, as provided in Article IX of this Master Deed.

Section 1.5. Contributions to provide sufficient reserves to make such general reserves to operate the Condominium Property and to administer the affairs of the Association.

Section 1.6. Contributions to provide sufficient reserves to make such major repairs or replacements to the Common Elements as may be required from time to time.

Section 1.7. Any other costs related to the operation of the Condominium Property or administration of the affairs of the Association which are declared by this Master Deed to be Common Elements, and any valid charge against the Condominium Property as a whole.

Section 2. Assessments. All assessments of Common Expenses shall be fixed by the Board and made payable at such times as the Board determines, but no less frequently than quarterly.

Section 3. Liability of Unit Owner. No Unit Owner may exempt himself from liability for Common Expenses by waiving the use or enjoyment of the Common Elements or by abandoning his Unit.

Section 4. Lien Upon Unit. All assessments of the Association for the share of Common Expenses chargeable to any Unit which are unpaid after becoming due shall, upon proper recording in the Office of the Clerk of Court for Beaufort County, South Carolina, constitute a lien against such Unit prior and superior to all other liens except: (1) Liens for property taxes upon the Unit in favor of any taxing authority; and (2) mortgage liens duly recorded prior to such delinquency. The lien of such assessments may be foreclosed by the Board acting

in behalf of the Association in the same manner as a mortgage upon real property. In the event of foreclosure the Unit Owner shall be required to pay a reasonable rental for the Unit during pendency of the foreclosure action, and a Receiver may be appointed to collect the rentals during such period. The Board, in behalf of the Association, may bring suit for judgments against the Unit Owner in the amount of delinquent assessments. In the event of foreclosure or suit for money judgement, a reasonable amount may be added to the sum due for attorney's fees and other costs of collection. The lien created by this section shall cover rentals accruing during the pendency of the foreclosure action and any reasonable amount of attorney's fees and other costs of collection.

Section 5. Sales of Unit. Upon the sale or conveyance of a Unit, all unpaid assessments against a Unit Owner for his pro-rata share of Common Expenses shall first be paid out of the sale price or by the purchaser or Grantee in preference over any other assessments, charges, or liens, except the following:

Section 5.1. Lien for taxes and special assessments upon the Unit which are unpaid.

Section 5.2. Payment due under mortgages upon the Unit which are duly recorded prior to such sale or conveyance.

Section 6. Foreclosure Purchaser. If the Institutional mortgagee of a Unit acquires title by foreclosure of its mortgage, or by deed in lieu of foreclosure, or if a purchaser acquired title at a foreclosure sale, such purchaser shall not be liable for the share of Common Expenses assessed by the Association upon the Unit so acquired accruing after the date of recording of such mortgage but prior to the acquisition of title. The unpaid assessments occurring during such period shall be

deemed Common Expenses collectible from all Unit Owners, including such purchaser, his successors, heirs and assigns. The provisions of this Section, however, shall not release any Unit Owner from personal liability for unpaid assessments.

Section 7. Records. The Board, or a management firm, which it employs, shall keep accurate and detailed records, in chronological order, of receipts and disbursements connected with the operation, administration, maintenance, repair and replacement of the Condominium Property. Such records, together with the vouchers authorizing payments, shall be available for examination by the Unit Owners at convenient hours on working days, with the appropriate hours being set and announced for general knowledge.

Section 8. Default. In the event of any default on the part of any co-owner under any first mortgage made in good faith and for value, which entitled the owner thereof to foreclose same, any sale under such foreclosure, including delivery of a deed to the first mortgagee in lieu of such foreclosure, shall be made free and clear of the provisions of the Declaration of Covenants, Restrictions and Affirmative Obligations of Sea Pines Plantation Company, dealing with the Repurchase Option or Right of First Refusal and the exclusive brokerage rights reserved unto Sea Pines Plantation Company. The purchaser under such foreclosure sale (or Grantee under such deed in lieu of foreclosure) of such condominium unit shall be thereupon and thereafter subject to all of the provisions of said Master Deed. Provided, however, that if the purchaser at such foreclosure sale (or the Grantee under deed given in lieu of foreclosure) shall be the then holder of the first mortgage, or its nominee, the said holder or nominee may thereafter sell and convey the

condominium free and clear of the provisions of said Declaration dealing with the Repurchase Option or right of first refusal and the exclusive brokerage rights of Sea Pines Plantation Company, but its Grantee shall thereupon and thereafter be subject to all of the provisions thereof.

ARTICLE VIII.

RESTRICTIONS, COVENANTS, EASEMENTS

Section 1. Covenant to Comply with Restrictions and Obligations. Each Unit Owner by acceptance of a deed to a Unit in this horizontal property regime ratifies and covenants to observe in behalf of himself, his heirs, successors and assigns, the following:

Section 1.1. The Declaration of Covenants, Restrictions and Affirmative Obligations applicable to all Class "B" Multi-Family Residence Areas by the Sea Pines Plantation Company, dated July 9, 1964, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 124 at Page 35, and any applicable recorded additions and amendments thereto (hereinafter called "Class 'B' Covenants").

Section 1.2. This Master Deed, the By-Laws, decisions, and resolutions of the Association, Board, or their representatives, as lawfully amended from time to time, and failure to comply with any such provisions, decisions, or resolutions shall be grounds for an action to recover sums due for damages or for injunctive relief; provided that nothing contained herein shall limit the rights of the Sea Pines Plantation Company as set forth in the aforesaid Declaration.

Section 1.3. The Declaration of Interval Ownership recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 319 at Page 809 (at the option of the Developer).

Section 2. Utility Easements. Each Unit Owner shall have a non-exclusive easement appurtenant to his Unit for the use in common with other Unit Owners of all pipes, wires, ducts, flues, cables, conduits, public utility lines, and other Common Elements located in any other Unit or within the Common Elements and serving his Unit. Each Unit shall be subject to an easement in favor of the owners of all other Units to use the pipes, wires, ducts, flues, cables, conduits, public utility lines, and other Common Elements serving the Unit which is located in such Units.

Section 3. Encroachments. There shall be an easement in favor of the Association to the extent that any portion of the Common Elements encroaches upon any Unit, and there shall be an easement appurtenant to any Unit to the extent any portion of the Unit encroaches upon the Common Elements or upon another Unit, whether such encroachment presently exists or occurs hereafter as a result of: 1) settling or shifting on any part of the Condominium property; 2) repair, alteration or reconstruction of the Common Elements made by the Association or with its consent; 3) repair or reconstruction necessitated by condemnation of any part of the Condominium Property. Any such easements shall be permitted and maintained so long as this Master Deed remains in effect and the Condominium Property remains subject to the Horizontal Property Act.

Section 4. Right of Access. The Association shall have the right of access to each Unit during reasonable hours and with reasonable notice for maintaining, repairing, or replacing any Common Elements located within or accessible through the Unit or for making emergency repairs within the Unit necessary to prevent damage to the Common Elements or to another Unit. This easement and right of access may be exercised by the Board, by its agents

and employees, or by a management firm to whom the responsibility of maintaining has been delegated. Damages resulting to any Unit because of such maintenance repairs shall be corrected promptly at the expense of the Association.

Section 5. Public Utility Easements. The Condominium Property is subject to easements for access, ingress, and egress to adjacent utility owned property and to utility easements for installation, operation, and maintenance of electric and telephone distribution lines and for installation, operation and maintenance of water and sewer lines. The Board may grant easements and relocate existing easements for installation of utilities if such easements are beneficial to the operation of the Condominium Property. If the location or nature of any utility easement is adverse to the Condominium Property or of doubtful benefit, the Board may grant such easements only when authorized by a vote of the Association.

ARTICLE IX.

INSURANCE

Section 1. Hazard Insurance. The Board shall insure the Condominium Property against loss or damage due to fire and lightning, with extended coverage, in an amount equal to the maximum insurable replacement value of the Condominium Property as determined by its annual appraisal. The Board shall have the authority also to insure against other hazards and risks as it may deem desirable for protection of the Condominium Property. All hazard insurance shall cover the entire Condominium Property, exclusive only of the contents and furnishings of the Individual Units, except Units committed to interval ownership which it shall be the obligation of the Home Owner's Association to insure the contents and furnishings.

Section 1.1. All hazard insurance policies obtained by the Board shall designate the Board as the named insured as Insurance Trustee for the benefit of all Unit Owners and their

mortgagees collectively, as their respective interest may appear. In the event of loss or damage, all insurance proceeds shall be paid to the Board of Insurance Trustee under the provisions of this Master Deed.

Section 1.2. All hazard insurance policies obtained by the Board shall provide for the issuance of Certificates of Insurance to each Unit Owner. Each Certificate shall evidence the issuance of the Master Policy and shall indicate the amount of insurance covering the building within which the respective Unit is located. If a Unit is mortgaged, a Certificate of Insurance shall be issued to the mortgagee bearing a standard mortgagee endorsement, if requested.

Section 1.3. If obtainable, all hazard insurance policies upon the Condominium Property shall include provisions waiving: 1) Any rights of the insurer to subrogation against the Association, its agents and employees, and against the individual Unit Owners and their servants, agents, and guests; and 2) Any rights of the insurer to contribution from hazard insurance purchased by the Unit Owners upon the contents and furnishings of their Units.

Section 2. Public Liability Insurance. The Board may obtain comprehensive public liability insurance with limits and provisions as it deems desirable and as may be obtainable. All such policies shall contain severability of interest clauses or endorsements extending coverage to liabilities of the Association to an individual Unit Owner and to liabilities of one Unit Owner to another Unit Owner.

Section 3. Workmen's Compensation Insurance. The Board, as necessary, shall obtain Workmen's Compensation Insurance to meet the requirements of law.

Section 4. Premiums. All premiums upon insurance policies purchased by the Board shall be assessed as Common Expenses and paid by the Board.

Section 5. Insurance by Unit Owner. Each Unit Owner shall be responsible for obtaining, at his sole expense, insurance covering the personal property, decorations and furnishings within his own Unit, and the additions and improvements made by him to the Unit, except Units committed to interval ownership which insurance shall be acquired by the Home Owner's Association. Each Unit Owner shall also be responsible for obtaining, at his own expense, insurance covering his liability for the safety of the premises within his Unit. All such insurance policies shall include, however, provisions waiving: 1) Any right of the insurer to subrogation to claims against the Association and against individual Unit Owners, as well as their agents, servants, employees and guests; and 2) Any right of the insurer to contribution or pro-ration because of the master hazard policy.

Section 6. Substitution of Insurance Trustee. The Board, in its discretion, may decline to serve as Insurance Trustee and may appoint in its place any financial institution which is qualified and willing to act as Trustee and which also has offices in Beaufort County, South Carolina. Any substitute Insurance Trustee appointed by the Board shall succeed to all of the powers and responsibilities vested in the Board as Insurance Trustee under the terms of this Master Deed.

Section 7. Reservation. The provisions of this Article may be changed or modified, as is necessary, by the Declaration of Interval Ownership, Article XIV.

ARTICLE X.

RECONSTRUCTION AND REPAIRS

Section 1. Reconstruction. In the event of a casualty loss or damage to the Condominium Property, the Board shall be responsible for applying the proceeds of all casualty insurance to the repair or reconstruction of the Condominium Property in accordance with the provisions of this Article. Reconstruction or repair shall be mandatory for any casualty loss or damage to the Condominium Property occurring before January 1, 1991, there- after reconstruction or repair shall be mandatory unless three-fourths

(3/4) or more of the condominium is destroyed or substantially destroyed. If after January 1, 1991 three fourths (3/4) or more of the Condominium Property is destroyed or substantially damaged, the insurance indemnity received by the Board shall be distributed pro-rata to the Unit Owners and their mortgagees jointly in proportion to their respective interests in Common Elements, unless three fourths (3/4) of the owners agree to repair or reconstruct the premises. The remaining portion of the Condominium Property shall be subject to an action for partition at the suit of any Unit Owner or lienor as if owned in common. In the event of suit for partition, the net proceeds of sale, together with the net proceeds of insurance policies, shall be considered one fund and distributed pro-rata among all Unit Owners and their mortgagees jointly in proportion to their respective interests in Common Elements. If any casualty loss or damage occurs prior to January 1, 1991 or thereafter if less than three fourths (3/4) of the Condominium Property is destroyed, repairs shall be conducted in the following manner:

1.1. Any reconstruction or repair must follow substantially the original plans and specifications of the Condominium Property unless the Unit Owners holding Seventy-Five (75%) percent or more of the total interest in Common Elements and their mortgagees, if any, vote to adopt different plans and specifications and all Unit Owners whose Units are affected by the alterations unanimously consent.

1.2 The Board shall promptly obtain estimates of the cost required to restore the damaged property to its condition before the casualty occurred. Such costs may include professional fees and premiums for bonds as the Board deems necessary.

1.3. If the insurance proceeds paid to the Board are insufficient to cover the cost of reconstruction, the deficiency shall be paid as a special assessment by the Unit Owners whose

Units are directly affected by the damage in proportion to the damage done in their respective Units.

1.4. The insurance proceeds received by the Board and any special assessments collected to cover a deficiency in insurance shall constitute a construction fund from which the Board shall disburse payment of the costs of reconstruction and repair. It shall be presumed that the first disbursements from the construction fund are insurance proceeds; and if there is a balance in the fund after payment of all costs of reconstruction and repair, it shall be distributed to the Unit Owners who paid special assessments in proportion to their payments. Any balance remaining after such distribution shall be that of the Association.

Section 2. Insurance Trust. In the event of a casualty loss to the Condominium Property, all insurance proceeds indemnifying the loss or damage shall be paid to the Board as Insurance Trustee. The Board, acting as Insurance Trustee, shall receive and hold all insurance proceeds in trust for the purposes stated in this Article, and for the benefit of the Association, the Unit Owners, and their respective mortgagees in the following shares:

2.1. Insurance proceeds paid on account of loss or damage to the Common Elements only shall be held in the same proportion as the undivided interests in the Common Elements which are proappurtenant to each of the Units.

2.2. Insurance proceeds paid on account of loss or damage to less than all of the Units, when the damage is to be restored shall be held for the Unit Owners of the damaged Units in proportion to the costs of repairing each damaged Unit.

2.3. Insurance proceeds paid when the Condominium Property is not to be restored shall be held for the benefit of all Unit Owners, the share of each being equal to the undivided share in Common Elements appurtenant to his Unit.

2.4. In the event a Certificate of Insurance has been issued to a Unit Owner bearing an institutional mortgagee endorsement, the share of the Unit Owner shall be held in trust for the institutional mortgagee and the Unit Owner as their interests may appear, provided, however, that no institutional mortgagee shall have any right to determine or participate in the determination as to whether any damaged property shall be reconstructed or repaired, and no institutional mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except for insurance proceeds paid jointly to the Unit Owners and their respective institutional mortgagees pursuant to the provisions of this Master Deed.

Section 3. Adjustment. Each unit Owner shall be deemed to have delegated to the Board his right to adjust with insurance companies all losses under policies purchased by the Association, subject to the rights of institutional mortgagees of such Unit Owners.

ARTICLE XI.

Section 1. By Unit Owners. This Master Deed and the By-laws may be amended from time to time at a duly held meeting of the Association by the affirmative vote of the Unit Owners holding three fourths (3/4) or more of the total interest in Common Elements, provided, however, that no amendment shall alter the dimensions of the Unit or its appurtenant interest in Common Elements without the written consent of the Unit Owner(s) and their institutional mortgagees, if any, affected by the proposed alteration. Duly adopted amendments shall become effective when an instrument setting forth the amendment has been executed and filed of record by the officers of the Association.

TERMINATION

Section 1. Casualty or Condemnation. If after January 1, 1991 two-thirds (2/3) or more of the Condominium Property is substantially destroyed or taken by condemnation, the Condominium Property may be removed from the provisions of this Master Deed and the Horizontal Property Act in accordance with Article X.

Section 2. Voluntary Termination. This horizontal property regime may also be terminated, removing the Condominium Property from the provisions of this Master Deed and the Horizontal Property Act, if the record owners title to the Unit and the record owners of mortgages upon the Units agree in a written instrument to termination unanimously or in such percentage as may then be required for termination by the Horizontal Property Act. Termination shall become effective upon recordation of such written instrument, duly executed by the requisite number of Unit Owners and institutional mortgagees.

Section 3. Ownership After Termination. After termination of this horizontal property regime, the Unit Owners shall own the Condominium Property as tenants in common in undivided shares and the holders of mortgages and liens upon the Units shall have mortgages and liens upon the respective undivided common interest of the Unit Owners. The undivided share of each tenant in common shall be the same as his undivided interest in Common Elements prior to termination. Any asset of the Association, any funds held by the Board, and any insurance proceeds shall also be the property of the former Unit Owners and tenants in common in the same undivided shares as their interest in Common Elements prior to termination. The costs incurred by the Board in connection with termination shall be considered a Common Expense.

Section 4. Partition. After termination, the Condominium Property shall be subject to an action for partition by

any Unit Owner or any lienor in which event the net proceeds from the judicial sale shall be divided among all Unit Owners in proportion to their respective interest in Common Elements and paid to each Unit Owner and institutional mortgagee.

ARTICLE XIII.

MISCELLANEOUS PROVISIONS

Section 1. Conflicts. This Master Deed is made and declared in compliance with the Horizontal Property Act of the State of South Carolina. In the event of any conflict between this Master Deed and the provisions of the Horizontal Property Act, the provisions of this statute shall control.

Section 2. Applicable Law. The provisions of this Master Deed shall be construed under the laws of the State of South Carolina.

Section 3. Invalidity. The invalidity of any provisions of this Master Deed shall not impair the validity, enforceability, or effect of the remaining provisions; and in such event, all other provisions shall continue in full force as if the invalid provisions had not been included.

Section 4. Gender and Number. The use of the masculine gender in this Master Deed shall be deemed to refer to the feminine and neuter gender, and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

Section 5. Exhibits. All exhibits to this Master Deed shall be an integral part of this instrument.

Section 6. Captions. Captions are inserted in this Master Deed for convenience only and are not to be used to interpret the provisions of this instrument.

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IN WITNESS WHEREOF, Grantor has executed this Master Deed in its name this day, month, and year first above written.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:

AMERICAN RESORTS SWALLOWTAIL, INC.

[Signature]

BY:

[Signature]

[Signature]

ATTEST:

[Signature]

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

PROBATE

PERSONALLY appeared before me, Roberta N. Jaeckel, who, on oath, says that s/he saw the within-named AMERICAN RESORTS SWALLOWTAIL, INC by Edwin H. McMullen, its President, sign, the within MASTER DEED, and Robert A. Miller, its Secretary, Treasurer, attest the same, and the said Corporation, by said officers, seal said MASTER DEED, and as its act and deed, deliver the same, and that s/he with Shrwood N. Fender witnessed the execution thereof.

[Signature]

SWORN to before me this 1st day of April, 1981.

[Signature]

(SEAL)

NOTARY PUBLIC FOR SOUTH CAROLINA
Commission Expires: 4-11-89

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C O N S E N T

SEA PINES PLANTATION COMPANY does hereby consent and agree to abide by the provisions of Article VII of this Master Deed regarding the Waiver of the Repurchase Option and the Exclusive Brokerage in certain mortgage foreclosure situations as more fully set forth therein. This Consent shall apply to Phase I of SWALLOWTAIL AT SEA PINES HORIZONTAL PROPERTY REGIME LXXVII, and any subsequent Phase hereinafter recorded.

IN WITNESS WHEREOF, SEA PINES PLANTATION COMPANY has caused this Consent to be executed in its name by Paul Franks, its Vice Pres, and by Stanley N. Bray, its Asst. Sect., and its Corporate Seal to be hereto affixed this 30th day of March, in the year of our Lord one thousand nine hundred and eighty-one.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:

SEA PINES PLANTATION COMPANY (SEAL)

Anne Blodder
Paul Franks

BY: Paul Franks
Its V.P.

ATTEST: Stanley N. Bray
Its ASSISTANT Secretary

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

P R O B A T E

PERSONALLY appeared before me, Rick Mairiotte, who, on oath, says that s/he saw the within-named SEA PINES PLANTATION COMPANY by PAUL FRANKS, its vice president, sign the within instrument, and STANLEY N. BRAY, its ASSISTANT SECRETARY, attest the same, and the said Corporation by said officers, seal said Instrument, and as its act and deed deliver the same, and that s/he with ANNE BLODDER witnessed the execution thereof.

SWORN to before me this 30th day of March, 1981. Rick Mairiotte

Anne C. Blodder (SEAL)
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: 6/27/90

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CONSENT AND SUBORDINATION

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The undersigned, MELLON BANK, N.A., the owner and holder of that certain Mortgage given by American Resorts Swallowtail, Inc., which Mortgage was filed for record on September 29, 1980, in Mortgage Book 235 at Page 1517, of the Office of the Clerk of Court for Beaufort County, South Carolina, hereby evidences its consent to the Master Deed and Declaration of Interval Ownership for Phase I of Swallowtail at Sea Pines Horizontal Property Regime LXXVII and agrees that the lien of the Mortgage above mentioned is hereby subordinated to said Master Deed and Declaration.

IN WITNESS WHEREOF, the undersigned has executed this Consent and Subordination this 23rd day of March, 1981.

Sharon D. Smith
Witness

MELLON BANK, N.A.

John T. Henderson
Witness

By: John T. Henderson
Vice President

[CORPORATE SEAL]

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF ALLEGHENY)

BEFORE ME, the undersigned authority, personally appeared John T. Henderson, to me well known to be the person described in and who executed the foregoing instrument as John T. Henderson of Mellon Bank, N.A., and he acknowledged before me that he executed such instrument as such Officer of said national banking association, and that the Seal affixed thereto is the Corporate Seal of said national banking association, and that it was affixed to said instrument as the free act and deed of said association.

WITNESS my hand and Official Seal, at the State and County aforesaid, this 23rd day of March, 1981.

MY COMMISSION EXPIRES:

Joyce Anderson
Notary Public in and for the
State of Pennsylvania

JOYCE ANDERSON, Notary Public
PA. License No. 123456789
My Commission Expires March 15, 1982

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CONSENT AND SUBORDINATION

773

The undersigned, ALLOMON CORPORATION, the owner and holder of that certain Mortgage given by American Resorts Swallowtail, Inc., which Mortgage was filed for record on September 29, 1980, in Mortgage Book 235 at Page 1545, of the Office of the Clerk of Court for Beaufort County, South Carolina, hereby evidences its consent to the Master Deed and Declaration of Interval Ownership for Phase I of Swallowtail at Sea Pines Horizontal Property Regime LXXVII and agrees that the lien of the Mortgage above mentioned is hereby subordinated to said Master Deed and Declaration.

IN WITNESS WHEREOF, the undersigned has executed this Consent and Subordination 23rd day of March 1981.

[Signature]
Witness

ALLOMON CORPORATION

[Signature]
Witness

By: [Signature]
T. C. Miller;
Vice President
[CORPORATE SEAL]

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF ALLEGHENY)

BEFORE ME, the undersigned authority, personally appeared T. C. MILLER, to me well known to be the person described in and who executed the foregoing instrument as Vice President of Allomon Corporation, and he acknowledged before me that he executed such instrument as such Officer of said Corporation, and that the Seal affixed thereto is the Corporate Seal of said Corporation, and that it was affixed to said instrument as the free act and deed of said Corporation.

WITNESS my hand and Official Seal, at the State and County aforesaid, this 23rd day of March, 1981.

MY COMMISSION EXPIRES:

JOYCE ANDERSON, Notary Public
Pittsburgh, Allegheny County, PA
My Commission Expires March 15, 1982

[Signature]
Notary Public in and for the
State of Pennsylvania

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INDEX OF EXHIBITS TO
MASTER DEED

- EXHIBIT "A" Description of Land and Easements.
- EXHIBIT "B" Plat (Survey) of Land, showing Property and Phase I thereon.
- EXHIBIT "C" Plot plan and floor plan and architect's certificate.
- EXHIBIT "D" Phases of SWALLOWTAIL AT SEA PINES and the percentage of the common elements pertaining thereto.
- EXHIBIT "E" By-Laws of SWALLOWTAIL AT SEA PINES HORIZONTAL PROPERTY REGIME LXXVII, Declaration of Interval Ownership, etc., and SWALLOWTAIL AT SEA PINES OWNERS' ASSOCIATION.

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STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

EXHIBIT A
DESCRIPTION OF PROPERTY COMPRISING
PHASE I, SWALLOWTAIL AT SEA PINES
HORIZONTAL PROPERTY REGIME LXXVII

ALL that certain piece, parcel or tract of land, with improvements thereon, if any, containing .748 acres situate, lying and being in Sea Pines Plantation on Hilton Head Island, Beaufort County, South Carolina, and shown and described on a plat entitled "Swallowtail at Sea Pines, Horizontal Property Regime LXXVII, Phase I and II" prepared by Coastal Surveying Company, Inc. and signed by Jerry L. Richardson S.C.R.L.S., and dated October 15, 1980** which said plat is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 79 at Page 89. For a more detailed description as to courses, metes, bounds, locations, distances, etc. reference to said plat(s) of record is craved.

PROVIDED, HOWEVER, that said conveyances are required to be made herein by South Carolina Law and are made for the purpose of establishing said condominium regime. Nothing should be inferred as to require the Grantor herein to dedicate future phases to the regime as provided within the Master Deed to which this description is attached as an Exhibit which said future phases will be established by amendatory declaration to this Master Deed.

It is the intention hereof that Phase I as shown on the above referred to plat of record be herewith dedicated to the Regime in accordance with the terms and provisions of the within Master Deed to which this Exhibit is attached.

AND ALSO, a non-exclusive easement for ingress and egress is hereby reserved upon all phases, present and future, of Swallowtail at Sea Pines Horizontal Property Regime LXXVII. It is the intention hereof that future phases shall have the right and privileges to use all ingress and egress easements consisting of parking areas, roadways, bicycle paths, walkways, etc. and further an easement is hereby granted to all owners of Swallowtail at Sea Pines Horizontal Property Regime LXXVII to use recreational area and other common areas as provided herein.

Grantor further saves and excepts from the above described property and agrees to convey the same to the corporation or public body providing sewer and water service to the area, title to all water and sewer lines installed or located on said property, and likewise retains title to all pipes, pumps, pumping stations or other equipment or facilities related thereto, together with an easement to that portion of the above described property lying within ten (10) feet of such lines, equipment or facilities or install additional lines, equipment or facilities thereon from time to time. Grantor further saves and excepts and reserves unto itself and its assigns and agrees to convey to the Sea Pines Public Service District an easement over and across the land lying within ten (10) feet of the property lines of the above described parcel or tract of land, for the purpose of installing further water, sewer, or other utility lines and related equipment and facilities.

The above described property is subject to the following covenants, reservations, conditions and restrictions recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, and as amended and shown upon all plats of record, to-wit: Deed Book 78 at Page 306 and as amended in Deed Book 274 at Page 1273; Deed Book 224 at Page 1036 and as amended

** as revised March 31, 1981

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in Deed Book 232 at Page 937, Deed Book 234 at Pages 1416 and 1833, Deed Book 236 at Page 1255, Deed Book 243 at Page 1683, Deed Book 249 at Page 1960, Deed Book 255 at Page 1255, Deed Book 273 at Page 432, Deed Book 291 at Page 618; Deed Book 268 at Page 1919; Deed Book 269 at Page 512; Deed Book 275 at Page 2060; Deed Book 124 at Page 35, and as amendeded in Deed Book 168 at Page 54; Deed Book 206 at Page 560; Deed Book 211 at Page 1561; Deed Book 223 at Page 2048; Deed Book 224 at Pages 475 and 1010; Deed Book 296 at Page 782; in Deed Book 219 at Page 809 and in Deed Book — at Page — .

The within property is a portion of the property conveyed to American Resorts Spa, Inc. (now American Resorts Swallowtail, Inc.) by deed from Twelfth Fairway Joint Venture dated the 31st day of January, 1980 and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 296 at Page 786.

The within Master Deed was prepared by Sherwood N. Fender of the Law Firm of Carter and Fender, Box 1101, Beaufort, Beaufort County, South Carolina.

EXHIBIT "B" 777

Exhibit "B" is the plat of record prepared by Coastal Surveying Company, Inc. and signed by Jerry L. Richardson, R.L.S., dated October 15, 1980** and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 29 at Page 89 .

** as revised March 31, 1981

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EXHIBIT "C"

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PLOT PLAN

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EXHIBIT "D"

The percentage of undivided interest in the Common Elements appurtenant to each Unit now or hereafter made subject to this Master Deed, including Grantor's right to change or modify same, is as follows:

Phase	Unit Number	Value In Ms	Phase Z I		Phase Z I & II		Phase Z I Thru III		Phase Z I Thru IV		Phase Z I Thru V		Phase Z I Thru VI		Phase Z I Thru VII		Phase Z I Thru VIII		Phase Z I Thru IX		Phase Z I Thru X		
I	2872	\$ 150	20.00	10.00	6.67	5.89	5.27	4.17	3.85	3.57	3.03	2.70											
	2873	150	20.00	10.00	6.67	5.89	5.27	4.17	3.85	3.57	3.03	2.70											
	2874	150	20.00	10.00	6.67	5.89	5.27	4.17	3.85	3.57	3.03	2.70											
	2875	150	20.00	10.00	6.67	5.89	5.27	4.17	3.85	3.57	3.03	2.70											
	2876	150	20.00	10.00	6.67	5.89	5.27	4.17	3.85	3.57	3.03	2.70											
II	2877	150	100.00%	10.00	6.67	5.89	5.27	4.17	3.85	3.57	3.03	2.70											
	2878	150	10.00	10.00	6.67	5.89	5.27	4.17	3.85	3.57	3.03	2.70											
	2879	150	10.00	10.00	6.67	5.89	5.27	4.17	3.85	3.57	3.03	2.70											
	2880	150	10.00	10.00	6.67	5.89	5.27	4.17	3.85	3.57	3.03	2.70											
	2881	150	10.00	100.00%	6.67	5.89	5.27	4.17	3.85	3.57	3.03	2.70											
III	2882	150		100.00%	6.67	5.89	5.27	4.17	3.85	3.57	3.03	2.70											
	2883	150		6.67	6.67	5.89	5.27	4.17	3.85	3.57	3.03	2.70											
	2884	150		6.67	6.67	5.89	5.27	4.17	3.85	3.57	3.03	2.70											
	2885	150		6.67	6.67	5.89	5.27	4.17	3.85	3.57	3.03	2.70											
	2886	150		6.67	6.67	5.89	5.27	4.17	3.85	3.57	3.03	2.70											
IV	2870	150		5.89	5.89	5.27	4.17	3.85	3.57	3.03	2.70												
	2871	150		5.89	5.89	5.27	4.17	3.85	3.57	3.03	2.70												
V	2887	150		100.13%																			
	2888	150		5.27	5.27	5.27	4.17	3.85	3.57	3.03	2.70												
				100.13%																			

(Cont'd.)

E X H I B I T " D "
(CONT'D.)

Phase	Unit Number	Value In Ms	Phase Z I	Phase Z I & II	Phase Z I Thru III	Phase Z I Thru IV	Phase Z I Thru V	Phase Z I Thru VI	Phase Z I Thru VII	Phase Z I Thru VIII	Phase Z I Thru IX	Phase Z I Thru X
VI	2889	\$ 150						4.17	3.85	3.57	3.03	2.70
	2890	150					4.17	3.85	3.57	3.03	2.70	2.70
	2891	150					4.17	3.85	3.57	3.03	2.70	2.70
	2892	150					4.17	3.85	3.57	3.03	2.70	2.70
	2893	150					4.17	3.85	3.57	3.03	2.70	2.70
						100.08%						
VII	2894	150						3.85	3.57	3.03	2.70	2.70
	2895	150						3.85	3.57	3.03	2.70	2.70
							100.10%					
VIII	2896	150							3.57	3.03	2.70	2.70
	2897	150							3.57	3.03	2.70	2.70
									99.96%			
IX	2898	150									3.03	2.70
	2899	150									3.03	2.70
	2900	150									3.03	2.70
	2901	150									3.03	2.70
	2902	150									3.03	2.70
										99.99%		
X	2903	150										2.70
	2904	150										2.70
	2905	150										2.70
	2906	150										2.70
												99.90%

BY-LAWS
OF
SWALLOWTAIL AT SEA PINES
HORIZONTAL PROPERTY REGIME LXXVII

AND

SWALLOWTAIL AT SEA PINES OWNERS' ASSOCIATION, INC.
A SOUTH CAROLINA NON-PROFIT CORPORATION

ARTICLE I.

IDENTITY

The following By-Laws shall govern the operation of the Swallowtail at Sea Pines Horizontal Property Regime LXXVII created by the Master Deed and Declaration of Interval Ownership, Rights, Restrictions, Affirmative Obligations, Conditions, Etc. and the Swallowtail at Sea Pines Owners' Association, Inc.

The Association whose name appears at the end of this instrument is a South Carolina Non-Profit Corporation organized and existing under the Laws of the State of South Carolina for the purpose of administering (but not exclusively unless so provided in the Association's Articles of Incorporation) the Condominium created by the Master Deed and Declaration of Interval Ownership, etc. to which these By-Laws are attached.

Section 1. The office of the Association shall be at the Swallowtail at Sea Pines Property, or at such other place as may be subsequently designated by the Board of Directors of the Association.

Section 2. The Seal of the Corporation shall bear the name of the Corporation, the word "South Carolina", the words "Non-Profit Corporation" and the year of incorporation.

Section 3. As used herein, the word "Corporation" shall be the equivalent of "Association" as defined in the Master Deed and the Declaration of Interval Ownership, etc. to which these

By-Laws are attached. All other words, as used herein, shall have the same definitions as attributed to them in the Master Deed and Declaration of Interval Ownership, etc. to which these By-Laws are attached.

ARTICLE II.

MEMBERSHIP AND VOTING PROVISIONS

Section 1. Membership. Membership in the Association shall be limited to the Owners of the Condominium Units in Condominiums wherein this Corporation has been designated by the Association to operate and administer said Condominium by virtue of the Master Deed and Declaration of Interval Ownership of said Condominium. Transfer of Unit Ownership, either voluntary or by operation of law, shall terminate membership in the Association and said membership is to become vested in the transferee. If Unit Ownership is vested in more than one person, then all of the persons so owning said Unit shall be members eligible to hold office, attend meetings, etc., but, as hereinafter indicated, the vote of a Unit shall be cast by the "voting member". If Unit Ownership is vested in a Corporation, said Corporation may designate an individual officer or employee of the Corporation as its "voting member". Notwithstanding the foregoing, each Owner of Unit Weeks in a Condominium Unit committed to Interval Ownership shall be entitled to cast his share of the vote of the Unit in which he owns his Unit Week(s). "Unit committed to Interval Ownership" and "Interval Ownership" are defined in the Master Deed and Declaration of Interval Ownership, etc.

Section 2. Voting.

a) The Owner(s) of each Condominium Unit shall be entitled to one (1) vote. If a Condominium Unit Owner owns more than one (1) Unit, he shall be entitled to one (1) vote for each

Unit owned. The vote of a Condominium Unit shall not be divisible. Notwithstanding the foregoing, each Owner of Unit Weeks in a Unit committed to Interval Ownership shall be entitled to 1/51 of the total vote assigned to the Unit in which he owns his Unit Weeks for each Unit Week owned. The Association shall not have a vote for any Unit Weeks conveyed to it.

b) A majority of the Unit Owners' total votes shall decide any question, unless the Master Deed, Declaration of Interval Ownership, etc., By-Laws or Articles of Incorporation of the Association provide otherwise. As used in these By-Laws, the term "Majority of Unit Owners shall mean those Unit Owners holding Fifty-One (51%) per cent or more of the total value of the property, in accordance with the percentages assigned in the Master Deed and Declaration of Interval Ownership, etc.

Section 3. Quorum. Unless otherwise provided in these By-Laws, the presence in person or by proxy of a majority of the Unit Owners' total votes shall constitute a quorum.

Section 4. Proxies. Votes may be cast in person or by proxy. All proxies shall be in writing and signed by the person entitled to vote (as set forth below in Section 5). Where a Unit is owned jointly by a husband and wife, and if they have not designated one of them as a voting member, a proxy must be signed by both husband and wife where a third person is designated.

Section 5. Designation of Voting Member. If a Condominium Unit is owned by one person, his right to vote shall be established by the recorded title to the Unit. If a Condominium Unit is owned by more than one (1) person, the person entitled to cast the vote for the Unit shall be designated on a Certificate, signed by all of the recorded Owners of the Unit and filed with the Secretary of the Association. If a Condominium Unit is owned by a Corporation, the officer or employee thereof entitled to cast the vote

*Now 1/3 voting interest
by amendment dtd
11/8/87*

of the Unit for the Corporation shall be designated in a Certificate for this purpose, signed by the President or Vice President, attested to by the Secretary or Assistant Secretary of the Corporation, and filed with the Secretary of the Association. The person designated in such Certificate who is entitled to cast the vote for a Unit shall be known as the "voting member". If such a Certificate is not on file with the Secretary of the Association for a Unit owned by more than one person or by a Corporation, the vote of the Unit concerned shall not be considered in determining the requirement for a quorum, or for any purpose requiring the approval of a person entitled to cast the vote for the Unit, except if said Unit is owned by a husband and wife. Such Certificate shall be valid until revoked or until superseded by a subsequent Certificate, or until a change in the Ownership of the Unit concerned. If a Condominium Unit is owned jointly by a husband and wife, the following three provisions are applicable thereto:

- a) They may, but they shall not be required to, designate a voting member.
- b) If they do not designate a voting member and if both are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting. (As previously provided, the vote of a Unit is not divisible.)
- c) Where they do not designate a voting member and only one is present at a meeting, the person present may cast the Unit vote, just as though he or she owned the Unit individually and without establishing the concurrence of the absent person.

Section 6. Units Committed to Interval Ownership.

Notwithstanding any other provisions by these By-Laws, each Owner of Unit Weeks in a Unit committed to Interval Ownership shall be entitled to cast the fractional vote attributable to

his Unit Weeks owned. In case of a Unit committed to Interval Ownership, the provisions of Section 5, Designation of Voting Member, shall apply to each Unit Week owned.

ARTICLE III.

MEETING OF THE MEMBERSHIP

Section 1. Place. All meetings of the Association membership shall be held at the Condominium(s) property, or at such other place and at such time as shall be designated by the Board of Directors of the Association and Stated in the Notice of meeting, and shall be open to all Unit Owners.

Section 2. Notices. It shall be the duty of the Secretary to mail or deliver a Notice of each annual or special meeting stating the time and place thereof to each Unit Owner of record at least fourteen (14), but not more than thirty (30), days prior to such meeting. Notices of any special meeting shall state the purpose thereof. All notices shall be mailed to or served at the address of the Unit Owner as it appears on the books of the Association.

Section 3. Annual Meeting. The annual meeting shall be held at 3:00 P.M., Eastern Standard Time, on the 2nd Friday of November each year for the purpose of electing Directors and transacting any other business authorized to be transacted by the members, provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next secular day following. At the annual meeting the members shall be elected by plurality vote - (cumulative voting prohibited), a Board of Directors, and shall transact such other business as may properly be brought before the meeting.

Section 4. Special Meeting. Special meetings of the members for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President and shall

be called by the President or Secretary at the request, in writing, of voting members representing twenty-five (25%) percent of the members' total votes, which request shall state the purpose or purposes of the proposed meeting. Business transacted at all special meetings shall be confined to the subjects stated in the Notice thereof.

Section 5. Waiver and Consent. Whenever the vote of members at a meeting is required or permitted by any provision of these By-Laws to be taken in connection with any action of the Association, the meeting and vote of members may be dispensed with if not less than a majority of the members who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken; however, Notice of such action shall be given to all members, unless all members approve such action.

Section 6. Adjourned Meeting. If any meeting of members cannot be organized because a quorum of voting members is not present, either in person or by proxy, the meeting may be adjourned from time to time until a quorum is present.

Section 7. Approval or Disapproval. Approval or disapproval of a Unit Owner upon any matter, whether or not the subject of an Association meeting, shall be by the voting members, provided, however, that where a Unit is owned jointly by a husband and wife, and they have not designated one of them as a voting member, their joint approval or disapproval shall be required where they are both present; or in the event only one is present, the person present may cast the vote without establishing the concurrence of the absent person.

Section 8. The Management Firm. The Management Firm, as long as any Management Agreement remains in effect, shall be entitled to Notice of all Association meetings and shall be en-

titled to attend the Association's meetings, and it may designate such persons(s) as it desires to attend such meetings on its behalf.

ARTICLE IV.

DIRECTORS

Section 1. Number, Term and Qualifications. The affairs of the Association shall be governed by a Board of Directors composed of three (3) persons, as is determined from time to time by the members. All Directors, except officers of the Declarant, shall be members of the Association. All officers of a Corporate Unit Owner shall be deemed to be members of the Association so as to qualify as a Director herein. The initial term of each Director's service shall extend for a five (5) year period and thereafter for a period of two (2) years or until he is removed in the manner provided in Section 3 below.

Section 2. First Board of Directors.

a) The first Board of Directors of the Association who hold office and serve until their successors have been elected and qualified shall consist of the following individuals:

Edwin H. McMullen
W. Clinton Wallace
Robert A. Miller

b) The organizational meeting of a newly elected Board of Directors of the Association shall be held within ten (10) days of their election, at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further Notice of the organizational meeting shall be necessary, provided a quorum shall be present.

Section 3. Removal of Directors. At any time after

the second annual meeting of the membership at any duly convened regular or special meeting, any one or more of the Directors may be removed, with or without cause, by the affirmative vote of three-fourths (3/4) of the voting members in the Association, and a successor may then and there be elected to fill the vacancy thus created. Should the membership fail to elect said successor, the Board of Directors may fill the vacancy in the manner provided in Section 4 below.

Section 4. Vacancies on Directorate. If the Office of any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Directors, though less than a quorum, shall choose a successor or successors, who shall hold office for the balance of the unexpired term in respect to which such vacancy occurred. The election held for the purpose of filling said vacancy may be held at any regular or special meeting of the Board of Directors.

Section 5. Disqualification and Resignation of Directors. Any Director may resign at any time by sending a written Notice of such resignation to the office of the Corporation, delivered to the Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary. Commencing with the Directors elected at such second annual meeting of the membership, the transfer of title of his Unit by a Director shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors. No member shall continue to serve on the Board should he be more than thirty (30) days delinquent in the payment of an assessment; and said delinquency shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors.

Section 6. Regular Meetings. The Board of Directors may establish a schedule of regular meetings to be held at such time and place as the Board of Directors may designate. Notice of such regular meetings shall nevertheless be given to each Director personally or by mail, telephone or telegraph at least five (5) days prior to the day named for such meeting. All meetings of the Board of Directors, including special meetings in accordance with Section 7 below, shall be open to all Unit Owners.

Section 7. Special Meetings. Special meetings of the Board of Directors may be called by the President, and in his absence, by the Vice President, or by a majority of the members of the Board of Directors, by giving five (5) days' notice, in writing, to all of the members of the Board of Directors of the time and place of said meeting. All Notices of special meetings shall state the purpose of the meeting.

Section 8. Directors' Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may waive Notice of such meeting and such waiver shall be deemed equivalent to the giving of Notice. Attendance by a Director at any meeting of the Board shall be a waiver of Notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 9. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at such meetings at which a quorum is present, shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At each such adjourned

meeting, any business which might have been transacted at the meeting, as originally called, may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the Minutes thereof, shall constitute the presence of such Director for the purpose of determining a quorum.

Section 10. Compensation. The Directors' fees, if any, shall be determined by the voting members.

Section 11. The Management Firm. The Management Firm, as long as any Management Agreement remains in effect, shall be entitled to Notice of all Directors' meetings and shall be entitled to attend the Directors' meetings, and it may designate such person(s) as it desires to attend such meetings on its behalf.

Section 12. Powers and Duties. The Board of Directors of the Association shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by the Master Deed, Declaration of Interval Ownership, etc., this Association's Articles of Incorporation, or these By-Laws, directed to be exercised and done by Unit Owners. These powers shall specifically include, but shall not be limited to, the following:

a) To exercise all powers specifically set forth in the Master Deed, Declaration of Interval Ownership, etc., this Association's Articles of Incorporation, in these By-Laws, and in the Horizontal Property Act, and all powers incidental thereto.

b) To make assessments, collect said assessments, and use and expend the assessments to carry out the purposes and powers of the Association.

c) To employ, dismiss and control the personnel necessary for the maintenance and operation of the project and of the common areas and facilities including the right and power to employ attorneys, accountants, contractors and other professionals as the need arises.

d) To make and amend regulations respecting the operation and use of the Common Elements, Condominium property and Association properties, and the use and maintenance of the Condominium Units therein.

e) To contract for the management of the Condominium and to delegate to such contractor all of the powers and duties of the Association, except those which may be required by the Master Deed and Declaration of Interval Ownership, etc. to have approval of the Board of Directors or membership of the Association. To contract for the management or operation of portions of the Common Elements or Association properties susceptible to the separate management or operation thereof, and to lease or concession such portions.

f) The further improvement of the Condominium property, both real and personal, and the right to purchase realty and items of furniture, furnishings, fixtures, and equipment for the foregoing, and the right to acquire and enter into Agreements, and as amended, subject to the provisions of the applicable Master Deed, Declaration of Interval Ownership, etc., this Association's Articles of Incorporation and these By-Laws.

g) Designate one or more committees which, to the extent provided in the resolution designating said committee, shall have the powers of the Board of Directors in the management and affairs and business of the Association. Such committee shall consist of at least three (3) members of the

Association. The committee or committees shall have such name or names as may be determined from time to time by the Board of Directors, and said committee(s) shall keep regular Minutes of their proceedings and report the same to the Board of Directors, as required. The foregoing powers shall be exercised by the Board of Directors or its contractor or employees, subject only to approval by Unit Owners when such is specifically required.

h) To enter into and terminate Agreements with organizations providing Owners of their Unit Week to trade their time periods with Owners of time periods at other resorts.

ARTICLE V.

OFFICERS

Section 1. Elective Officers. The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of which shall be elected by the Board of Directors.

One person may hold more than one of the aforementioned offices. The President and Vice President shall be members of the Board of Directors.

Section 2. Election. The officers of the Association designated in Section 1 above shall be elected every two (2) years by the Board of Directors at the organizational meeting of each new Board following the meeting of the members.

Section 3. Appointive Officers. The Board may appoint Assistant Secretaries and Assistant Treasurers and such other officers as the Board of Directors deems necessary.

Section 4. Term. The officers of the Association shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed at any time, with or without

cause, by the Board of Directors, provided, however, that no officer shall be removed except by the affirmative vote for removal by a majority of the whole Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

Section 5. The President. He shall be the chief executive officer of the Association; he shall preside at all meetings of the Unit Owners and of the Board of Directors. He shall have executive powers and general supervision over the affairs of the Association and other officers. He shall sign all written contracts to perform all of the duties incident to his office and which may be delegated to him from time to time by the Board of Directors.

Section 6. The Vice President. He shall perform all of the duties of the President in his absence, and such other duties as may be required of him from time to time by the Board of Directors of the Association.

Section 7. The Secretary. He shall issue Notices of all Board of Directors' meetings and all meetings of the Unit Owners; he shall attend and keep the minutes of same; he shall have charge of all of the Association's books, records and papers, except those kept by the Treasurer. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

Section 8. The Treasurer.

a) He shall have custody of the Association's funds and securities, except the funds payable to any Management Firm, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name of and to the credit of the Association, in such depositories as may be designated from time to time by the Board of Directors.

b) He shall disburse the funds of the Association as may be ordered by the Board of Directors in accordance with these By-Laws, making proper vouchers for such disbursements, and shall render to the President and Board of Directors at the regular meetings of the Board of Directors, or whenever they may require it, an account of all of his transactions as the Treasurer and of the financial condition of the Association.

c) He shall collect the assessments and maintenance fees and shall promptly report the status of collections and of all delinquencies to the Board of Directors.

d) He shall give status reports to potential transferees on which reports the transferees may rely.

e) The Assistant Treasurer shall perform the duties of the Treasurer when the Treasurer is absent.

f) The duties of the Treasurer may be fulfilled by a Management Firm employed by the Association, and said Management Firm shall fulfill the duties of the Treasurer and shall have custody of such books of the Association as it determines in its sole discretion and the foregoing shall include any books required to be kept by the Secretary of the Association.

ARTICLE VI.

FINANCE, ASSESSMENTS AND MAINTENANCE FEES

Section 1. Depositories: The funds of the Association shall be deposited in such banks and depositories as may be determined by the Board of Directors from time to time upon resolutions approved by the Board of Directors, and shall be withdrawn only upon checks and demands for money signed by such officer or officers of the Association as may be designated by the Board of Directors. Obligations of the Association shall be signed by at least two officers of the Association as may

be designated by the Board of Directors. Obligations of the Association shall be signed by at least two officers of the Association, provided, however, that the provisions of any Management Agreement between the Association and a Management Firm relative to the subject matter in this Section shall supersede the provisions hereof.

Section 2. Fidelity Bonds. The Treasurer and all officers who are authorized to sign checks and all officers and employees of the Association and any contractor handling or responsible for Association funds shall be bonded in such amount as may be determined by the Board of Directors. The premiums on such Bonds shall be paid by the Association. The Bond shall be in an amount sufficient to equal the monies an individual handles or has control of via a signatory or a bank account or other depository account; however, notwithstanding the foregoing, the Management Firm, under the terms of the Management Agreement, attached to the Master Deed, Declaration of Interval Ownership, Etc., to which these By-Laws are attached, as to funds in its possession and/or control, shall determine, in its sole discretion, the amount of and who is to be bonded, if any, among its employees.

Section 3. Fiscal Year. The fiscal year for the Association shall begin on the 1st day of July of each year provided, however, that the Board of Directors is expressly authorized to change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America, at such time as the Board of Directors deems it advisable.

Section 4. Determination of Assessments.

a) The Board of Directors of the Association shall fix and determine from time to time the sum or sums necessary

and adequate for the common expenses of the Condominium. Common expenses shall include expenses for the operation, maintenance, repair or replacement of the Common Elements and the limited Common Elements, costs of carrying out the powers and duties of the Association, all insurance premiums and expenses relating thereto, including fire insurance and extended coverage, and any other expenses designated as common expenses from time to time by the Board of Directors of the Association, or under the provisions of the Master Deed and Declaration of Interval Ownership to which these By-Laws are attached. The Board of Directors is specifically empowered, on behalf of the Association, to make and collect assessment and to lease, maintain, repair, and replace the Common Elements and the limited Common Elements of the Condominium. Funds for the payment of common expenses shall be assessed against the Unit Owners in the proportions or percentages of sharing common expenses, as provided in the Master Deed, Declaration of Interval Ownership, etc. Special assessments, should such be required by the Board of Directors, shall be levied in the same manner as hereinbefore provided for regular assessments, and shall be payable in the manner determined by the Board of Directors. All funds due under these By-Laws, which are attached to the Master Deed and Declaration of Interval Ownership, etc. are common expenses of this Condominium. Assessments, installations, and maintenance fees that are unpaid for over ten (10) days after due date shall bear interest at the rate of ten (10%) percent per annum from due date until paid, and at the sole discretion of the Board of Directors, a late charge of \$25.00 shall be due and payable.

b) A copy of the proposed annual budget of common expenses shall be mailed to the Unit Owners not less than

thirty (30) days prior to the meeting at which the budget will be considered, together with a Notice of that meeting. The Unit Owners shall be given written notice of the time and place at which the meeting of the Board of Directors shall be held to consider the proposed annual budget of common expenses, and such meeting shall be open to the Unit Owners. If a budget is adopted by the Board of Directors which requires assessment against the Unit Owners in any fiscal or calendar year exceeding twenty-five (25%) percent of such assessments for the preceding year, upon written application of twenty-five (25%) percent of the Unit Owners, a special meeting of the Unit Owners shall be held upon no less than ten (10) days' written notice to each Unit Owner, but within thirty (30) days of the delivery of such application to the Board of Directors or any member thereof, at which special meeting Unit Owners may consider and enact a revision of the budget, or recall any and all members of the Board of Directors and elect their successors. In either case, unless these By-Laws shall require a larger vote, the revision of the budget or the recall of any and all members of the Board of Directors shall require a vote of not less than a majority of the whole number of votes of all Unit Owners. The Board of Directors may in any event propose a budget to the Unit Owners at a meeting of members or by writing, and if such budget or proposed budget be approved by the Unit Owners at a meeting, or by a majority of their whole number by a writing, such budget shall not thereafter be reexamined by the Unit Owners in the manner hereinabove set forth nor shall the Board of Directors be recalled under the terms of this Section. In determining whether assessments exceed twenty-five (25%) percent of similar assessments in prior years, there shall be excluded in the computation property taxes or any provision for reasonable reserves made by the Board of Directors in respect or repair or replacement of the Condominium property or in respect of anti-

anticipated expenses by the Condominium Association which are not anticipated to be incurred on a regular or annual basis; and there shall be excluded from such computation, assessment for betterments to the Condominium property if these By-Laws so provide or allow the establishment of reserves, or assessments for betterments to be imposed by the Board of Directors. When the Board of Directors has determined the amount of any assessment, the Treasurer of the Association shall mail or present to each Unit Owner a statement of said Unit Owner's assessment. All assessments shall be payable to the Treasurer of the Association and, upon request, said Treasurer shall give a receipt for each payment made to him.

Section 5. Determination of Maintenance Fee.

a) The Board of Directors of the Association shall fix and determine from time to time, the sums necessary and adequate for the maintenance fee on Condominium Units committed to Interval Ownership. The maintenance fee on such Units shall include the items specified in the Declaration of Interval Ownership, etc.

b) When the Board of Directors has determine the amount of any maintenance fee, the Treasurer of the Association shall mail or present to each Owner of Unit Week(s) with all Units committed to Interval Ownership a statement of said maintenance fee. All maintenance fees shall be payable to the Treasurer of the Association; and upon receipt, said Treasurer shall give a receipt for each payment made to him, if requested by the Unit Owners.

Section 6. Application of Payments and Co-Mingling of Funds. All sums collected by the Association from assessments and maintenance fees may be co-mingled in a single fund or divided into more than one fund, as determined by the Board of Directors of the Association. All assessment payments and maintenance fees by a Unit Owner shall be applied as to interest, delinquencies, costs and attorney's fees, other charges, expenses and advances as provided herein and in the Master Deed and Declaration of Interval Ownership, etc. and general or special assessments, in such manner and amounts as the Board of Directors determines in its sole discretion.

Section 7. Acceleration of Assessment Installments Upon Default. If a Unit Owner shall be in default in the payment of an installment upon any assessment, the Board of Directors may accelerate the remaining monthly installments for the fiscal year upon Notice thereof to the Unit Owner; and, thereupon, the unpaid balance of the assessment shall become due upon the date stated in the Notice, but not less than fifteen (15) days after delivery of or the mailing of such Notice to the Unit Owner.

Section 8. Audits. An audit of the accounts of the Association will be made upon request of a majority of the owners in the Association and at such times as the Board of Directors deems necessary.

Section 9. Application of Surplus. Any payments or receipts to the Association, whether from Unit Owners or otherwise, paid during the year in excess of the operating expenses and other common expenses of the Association shall be kept by the Association and applied against the Association's expenses for the following year.

ARTICLE VII.

ADDITIONS OR ALTERATIONS

There shall be no additions or alterations to the Common Elements or limited Common Elements of the Condominium(s)

which this Association operates and maintains except as specifically provided for in said Master Deed and Declaration of Interval Ownership, Etc.

ARTICLE VIII.

COMPLIANCE AND DEFAULT

Section 1. Violations. In the event of a violation (other than the non-payment of an assessment) by the Unit Owner in any of the provisions of the Master Deed and Declaration of Interval Ownership, etc., of these By-Laws, or of the applicable portions of the Horizontal Property Act, the Association, by direction of its Board of Directors, may notify the Unit Owner by written notice of said breach, transmitted by mail, and if such violation shall continue for a period of seven (7) days from date of Notice, the Association, through its Board of Directors, shall have the right to treat such violation as an intentional and inexcusable and material breach of the Master Deed and Declaration, the By-Laws, or of the pertinent provisions of the Horizontal Property Act, and the Association may then, at its option, have the following elections:

- a) An action at law to recover for its damage, on behalf of the Association or on behalf of the other Unit Owners.
- b) An action in equity to enforce performance on the part of the Unit Owner; or
- c) An action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief.

Any violations which are deemed by the Board of Directors to be a hazard to public health may be corrected immediately as an emergency matter by the Association, and the cost thereof shall be charged to the Unit Owner as a specific item, which shall be a lien against the said Unit with the same force and effect as if the charge were a part of the common expenses.

Section 2. Negligence or Carelessness of Unit Owner, Etc. All Unit Owners shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by any insurance company of its rights of subrogation. The expense for any maintenance, repair or replacement required, as provided in this Section, shall be charged to said Unit Owner as a specific item which shall be a lien against said Unit with the same force and effect as if the charge were a part of the common expenses.

Section 3. Costs and Attorneys' Fees. In any proceeding arising because of an alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be determined by the Court.

Section 4. No Waiver of Rights. The failure of an Association or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium documents shall not constitute a waiver of the right of the Association or Unit Owner to enforce such right, provision, covenant or condition in the future.

Section 5. Election of Remedies. All rights, remedies, and privileges granted to the Association or Unit Owner, pursuant to any terms, provisions, covenants or conditions of the

Condominium documents, shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be granted to such other party by Condominium documents, or at law or in equity.

Section 6. Units Committed to Interval Ownership.

Any liens or sanctions against an Owner of Unit Weeks in a Unit committed to Interval Ownership for an alleged default as set forth in this Article VIII shall be limited to the Unit Weeks owned by such Owner and shall be of no force and effect as to any other Unit Weeks or owners thereof. "Unit Owner" as used throughout this article shall be deemed to include Owners of Unit Weeks in Units committed to Interval Ownership.

ARTICLE IX.

ACQUISITION OF UNITS ON FORECLOSURE

Section 1. Acquisition of Units on Foreclosure.

At any foreclosure sale of a Unit, the Board of Directors may, with the authorization and approval by the affirmative vote of voting members casting not less than Sixty (60%) percent of the total votes of the members present at any regular or special meeting of the members wherein said matter is voted upon, acquire in the name of the Association, or its designee, a Condominium parcel being foreclosed. The term "foreclosure" as used in this Section, shall mean and include any foreclosure of any lien, excluding the Association's lien for assessments. The power of the Board of Directors to acquire a Condominium parcel at any foreclosure sale shall never be interpreted as any requirement or obligation on the part of the said Board of Directors or of the Association to do so at any foreclosure sale, the provisions hereof being permissive in nature and for the purpose of setting forth the power in the Board of Directors to

do so should the requisite approval of the voting members be obtained. The Board of Directors shall not be required to obtain the approval of Unit Owners at the foreclosure sale of a Unit, due to the foreclosure of the Association's lien for assessments under the provisions of the Master Deed and Declaration of Interval Ownership, etc. to which these By-Laws are attached notwithstanding the sum the Board of Directors determines to bid at such foreclosure sale.

Section 2. Transfer of Units. All Owners of Units or Unit Weeks in a Unit committed to Interval Ownership shall notify the Association, of any transfer, by sale or otherwise, of said Unit or Unit Week within ten (10) days of the date of same. Said Notice shall include such information and be in the form that the Association shall prescribe from time to time. The Association may send all necessary Notices to the person shown as Owner of said Unit or Unit Weeks in its records, and said Notice shall be binding as to any other Owner of said Unit or Unit Weeks where the Association has not been notified as provided herein.

ARTICLE X.

AMENDMENTS TO THE BY-LAWS

The By-Laws may be altered, amended or added to at any duly called meeting of the Unit Owners, provided:

- 1) Notice of the meeting shall contain a statement of the proposed Amendment.
- 2) If the Amendment has received the unanimous approval of the full Board of Directors, then it shall be approved upon the affirmative vote of the voting members casting a majority of the total votes of the members of the Association.
- 3) If the Amendment has not been approved by the unanimous vote of the Board of Directors, then the Amendment

shall be approved by the affirmative vote of the voting members casting not less than three-fourths (3/4) of the total votes of the members of the Association; and

4) Said Amendment shall be recorded and certified as required by the Horizontal Property Act.

5) Notwithstanding the foregoing, these By-Laws may only be amended with the written approval when required of the parties specified in the Master Deed and Declaration of Interval Ownership, etc. to which these By-Laws are attached. The system of administration may at any time be modified at a duly held meeting of the Association by the affirmative vote of the Unit Owners and Unit Week Owner(s) holding three-fourths (3/4) or more of the total interest in Common Elements.

6) The Developer, so long as it owns more than ten (10%) percent of the aggregate of the Condominium Units or Unit Weeks in the Condominium reserves the right at any time to amend the By-Laws as may be required by a lending institution or public body, or in such manner as the Developer may determine to be necessary to carry out the purposes of the project provided that such amendment shall not increase the proportion of common expenses nor decrease the Ownership of Common Elements borne by the Condominium Owners.

ARTICLE XI.

NOTICES

Whatever Notices are required to be sent hereunder shall be delivered or sent in accordance with the applicable provisions for Notices as set forth in the Master Deed and Declaration of Interval Ownership, etc. to which these By-Laws are attached.

ARTICLE XII.

INDEMNIFICATIONS

The Association shall indemnify every Director and

every Officer, his heirs, executors, and administrators, against all loss, cost and expense reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or Officer of the Association, except as to matters wherein he shall be finally adjudged in such action, suit or proceeding, to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

ARTICLE XIII.

LIABILITY SURVIVES TERMINATION OF MEMBERSHIP

The termination of membership in the Condominium shall not relieve or release any such former Owner or member from any liability or obligations incurred under or in any way connected with the Condominium during the period of such ownership and membership, or impair any rights or remedies which the Association may have against such former Owner and member arising out of or in any way connected with such ownership and membership, and the covenants and obligations incident thereto.

ARTICLE XIV.

LIMITATION OF LIABILITY

Notwithstanding the duty of the Association to maintain and repair parts of the Condominium property, the Association shall not be liable for injury or damage caused by a latent condition in the property, nor for injury or damage caused by the elements or by other Owners or persons.

ARTICLE XV.

PARLIAMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict

with the Horizontal Property Act, Master Deed, Declaration of Interval Ownership, Etc. or these By-Laws.

ARTICLE XVI.

LIENS

Section 1. Protection of Property. All liens against a Condominium Unit, other than for mortgages, taxes or special assessments shall be satisfied or otherwise removed within thirty (30) days of the date the lien was attached. All taxes and special assessments upon a Condominium Unit shall be paid before becoming delinquent, as provided in these Condominium documents or by law, whichever is sooner.

Section 2. Notice of Lien. A Unit Owner shall give Notice to the Association of every lien upon his Unit, other than for mortgages, taxes and special assessments within five (5) days after the attaching of the lien.

Section 3. Notice of Suit. Unit Owners shall give Notice to the Association of every suit or other proceeding which will or may affect title to his Unit or any part of the property, such Notice to be given within five (5) days after the Unit Owner received Notice thereof.

Section 4. Failure to Comply. Failure to comply with this Article concerning liens will not affect the validity of any judicial sale.

Section 5. Units Committed to Interval Ownership. In the case of a Unit committed to Interval Ownership, an Owner of Unit Weeks in such Unit shall be required to give Notices under Section 2 and Section 3 of this Article XVI only as to liens, suits, and proceedings affecting title to the Unit Weeks which he owns. Any lien against an Owner of Unit Weeks in a Unit committed to Interval Ownership, or against the Unit Weeks owned by him, shall be limited to the Unit Weeks owned by him and shall not encumber the property, real or personal,

of any other Owner of Unit Weeks in said Unit.

ARTICLE XVII.

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RULES AND REGULATIONS

Section 1. The Board of Directors may, from time to time, adopt or amend previously adopted administrative Rules and Regulations governing the details of the operation, use, maintenance, management and control of the Association properties, the Common Elements and limited Common Elements of the Condominiums and any facilities or services made available to the Unit Owners. A copy of the Rules and Regulations adopted from time to time as herein provided shall from time to time be posted in a conspicuous place and/or copies of same shall be furnished each Unit Owner.

Section 2. As to Condominium Units. The Board of Directors, may from time to time, adopt or amend previously adopted Rules and Regulations governing and restricting the use and maintenance of the Condominium Unit(s) provided, however, that copies of such Rules and Regulations, prior to the time the same become effective, shall be posted in a conspicuous place and/or copies of same shall be furnished to each Unit Owner.

Section 3. Conflict. In the event of any conflict between the Rules and Regulations adopted, or from time to time amended, and the Condominium documents, or the Horizontal Property Act, the latter shall prevail. If any unreconciled conflict should exist or hereafter arise with respect to the interpretation of these By-Laws and Master Deed the provisions of said Master Deed and Interval Ownership, Etc. shall prevail.

The foregoing was adopted as the By-Laws of Swallowtail at Sea Pines Owners' Association, Inc. at the first meeting of the Board of Directors.

AMENDMENT TO DESCRIPTION FOUND ON PAGE
A8 OF THE MASTER DEED

808

WHEREAS, Page A8 of the Master Deed contains a description of all units, i.e., Units 2872 through 2906 in Phases I through X of Swallowtail at Sea Pines, Horizontal Property Regime, LXXVII, and

WHEREAS, Units 2887 and Units 2888 being the units contained in Phase V are being built as barrier free units to accomodate handicapped persons, and

WHEREAS, the building of said units necessitates variations from the original described units in Page A8

NOW, THEREFORE, the following description shall apply to Units 2887 and 2888 of Phase V of Swallowtail at Sea Pines, Horizontal Property Regime LXXVII. The description as to all other units shall remain as set forth on page A8.

This unit is made up of a service yard, entry deck, entry foyer with a mechanical closet, kitchen, dining, living, stairwell, two (2) bedrooms, two (2) baths and a sitting room.

Entrance is into a foyer containing 69.87 square feet. The foyer contains a mechanical closet of 7.28 square feet which contains the furnace. Off the foyer is the kitchen which contains 130.76 square feet. The kitchen also contains all cabinets and appliances including a washer and dryer. Also off the foyer is a bedroom containing 164.04 square feet. This bedroom also contains a closet of 14.04 square feet. Leading from this bedroom and also from the foyer is a bath that contains 96.7 square feet and also contains a linen closet of 7.85 square feet and 5 shelves. Leading from the foyer is a dining, living space. The dining space contains 147.42 square feet. The living space contains 196 square feet. Leading from the living space is a deck containing 112 square feet. Also leading from the living dining space is a stair to the second floor. This stair, including landing and open space under, contains 121.38 square feet. Leading from the stair at the second floor is a sitting room containing 197.3 square feet. Leading from this sitting room is another bedroom which contains 195 square feet. Opening to both the sitting room and bedroom is a closet which contains 7.66 square feet and a cabinet area which contains 9 square feet. Leading from the bedroom is a bath which contains 85.59 square feet. Leading from the bath and part of this bath is an area containing a shower and water closet which has 30.34 square feet. Also leading from the bath is a closet which contains 43.66 square feet. This closet also contains the water heater. Access to an attic space is from this closet.

The unit contains a total net heated area of 1523.89 square feet.

Not included in the area but part of the Unit are the following: A service yard containing 89.35 square feet and the air conditioning compressor, the entry deck which contains 25 square feet and the deck from living space mentioned above.

RECORDED THIS 20th DAY
OF April 1981
IN BOOK M PAGE 358
FEES \$

A-69

FILED	BEAUFORT	RECORDED
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<u>P M</u>		<u>739</u>

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

357/221
AMENDMENT TO BY-LAWS OF SWALLOWTAIL
AT SEA PINES HORIZONTAL PROPERTY
REGIME LXXVII AND SWALLOWTAIL AT
SEA PINES OWNERS' ASSOCIATION, A
SOUTH CAROLINA NON-PROFIT CORPORATION

WHEREAS, the original By-Laws of Swallowtail at Sea Pines Horizontal Property Regime LXXVII and Swallowtail at Sea Pines Owners' Association were filed on April 2, 1981, in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 319 at Page 781 ; and

WHEREAS, said By-Laws provide that the Developer so long as it owns ten (10%) percent or more of the Unit Weeks in the Condominium reserves the right at any time to amend the By-Laws as necessary to carry out the purposes of the project; and

WHEREAS, the Developer, American Resorts Swallowtail, Inc. has determined that the following amendment is necessary to carry out the purposes of the project; and

WHEREAS, said amendment shall not increase the proportion of common expenses nor decrease the ownership of the Common Elements borne by the Condominium Owners

NOW, THEREFORE, be it resolved that Article II, Section 3 of the By-Laws of Swallowtail at Sea Pines Horizontal Property Regime LXXVII and Swallowtail at Sea Pines Owners' Association, Inc. is hereby amended to read as follows:

Unless otherwise provided in these By-Laws, the presence in person or by proxy of one-third of the Unit Owners' total votes shall constitute a quorum.

WITNESSES:

AMERICAN RESORTS SWALLOWTAIL, INC.

Mary C. Kubic

By:

R. A. A. [Signature]

Beth P. Cotnam

attest:

[Signature]

STATE OF FLORIDA)
)
COUNTY OF POLK)

P R O B A T E

222

PERSONALLY appeared before me Mary C. Keeble, who,
on oath, says that s/he saw the within AMERICAN RESORTS SWALLOWTAIL, INC.,
a Corporation authorized to do business in South Carolina, by Robert A.
Miller, its Secretary-Treasurer, sign the within written amendment,
and Joyce B. Mitchell, its Assist. Sec.-Treas., attest the same,
and the said Corporation by said officers, seal said amendment, and, as
its act and deed, deliver the same and that s/he with Edith S. Smith
witnessed the execution thereof.

SWORN TO before me this 19th
day of October, 1982.

Mary C. Keeble

Edith S. Smith (L.S.)
Notary Public for Florida
My Commission Expires: Aug. 8, 1984

Louder

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		<u>221</u>
<u>Nancy H. Lowry, Dep.</u> CLERK OF COURT OF COMMON PLEAS		

06258

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

AMENDMENT TO
MASTER DEED AND BY-LAWS OF
SWALLOWTAIL AT SEA PINES HORIZONTAL
PROPERTY REGIME LXXVII and SWALLOWTAIL
AT SEA PINES OWNERS' ASSOCIATION, INC.

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WHEREAS, on the 27th day of September, 1979, By-Laws of the above-captioned were recorded in the office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 289 at Page 1071; and

WHEREAS, Article II, Quorum, Section 3, was amended on October 19, 1982, to read "Unless otherwise provided in these By-Laws, the presence in person or by proxy of one-third of the unit owners' total votes shall constitute a quorum;" and

WHEREAS, Article XII, Indemnifications, provided "The Association shall indemnify every Director and every Officer, his heirs, executors, and administrators, against all loss, cost and expense reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or Officer of the Association, except as to matters wherein he shall be finally adjudged in such action, suit or proceeding, to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled;" and

WHEREAS, on the 14th day of September, 1988, the Board of Directors of the Association unanimously approved amending the foregoing provisions of the By-Laws as set forth herein; and

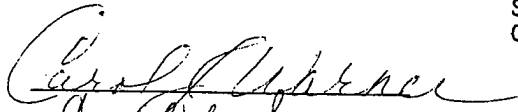
WHEREAS, on the 10th day of November, 1988, the voting members of the Association cast the requisite number of affirmative votes to amend the aforescribed provisions of the By-Laws as more fully set forth herein with the result that said provisions were amended.


NOW, THEREFORE, pursuant to the foregoing, be it known that the By-Laws of Swallowtail at Sea Pines Horizontal Property Regime LXXVII and Swallowtail at Sea Pines Owners' Association, Inc. are amended as follows:

1. Article II, Quorum, Section 3, by the aforementioned amendment does henceforth read "Unless otherwise provided in these By-Laws, the presence in person or by proxy of twenty-five percent (25%) of the Unit Owners' total votes shall constitute a quorum; and

2. Article XII, Indemnifications, by the aforementioned amendment does henceforth read "The Association shall indemnify every Director and every Officer, and any member serving on a committee(s) established by the Board of Directors pursuant to Article IV, Section 12(g) of the By-Laws, their heirs, executors, and administrators, against all loss, cost and expense reasonably incurred by them in connection with any action, suit or proceeding to which they may be made a party by reason of their being or having been a Director or Officer of the Association, or serving as a member on any committee established by the Board of Directors, except as to matters wherein they should be finally adjudged in such action, suit or proceeding, to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to and not exclusive of all other rights to which such Director, Officer or any member serving on a committee established by the Board of Directors may be entitled."

SWALLOWTAIL AT SEA PINES
OWNERS' ASSOCIATION, INC.


Carol M. Simmons

By 
Robert M. Eckenroth, Secretary

STATE OF FLORIDA)
COUNTY OF POLK)

PROBATE

284

PERSONALLY appeared before me, CAROL J. WARNER, who on oath, says that s/he saw the within-named ROBERT M. ECKENROTH, as Secretary of Swallowtail at Sea Pines Owners' Association, Inc., sign, seal, and as his act and deed, deliver the within written instrument, and that s/he with CAROL M. SIMMONS witnessed the execution thereof.

Carol J. Warner
(Witness)

Carol M. Simmons
(Witness)

Sworn to and Subscribed before me
this 9th day of Dec.,
1988.

Carol M. Simmons
Notary Public
State of Florida at Large

My Commission Expires: 7-18-91

Marriff

FILED AT	SEMI-PORT COUNTY S.C.	RECORDED IN BOOK
11:49 O'CLOCK	MAR 18 1991	572 PAGE
A. M.	<u>Sherida A. South</u> REGISTER OF PUBLIC CONVEYANCES	

STATE OF SOUTH CAROLINA
COUNTY OF BEAUFORT

) AMENDMENT TO BY-LAWS OF
) SWALLOWTAIL AT SEA PINES
) HORIZONTAL PROPERTY REGIME

14723

WHEREAS, American Resorts Swallowtail, Inc., a South Carolina corporation, made, published, and recorded that certain Master Deed creating the Swallowtail at Sea Pines Horizontal Property Regime dated September 27, 1979, which Master Deed was recorded in the Office of the Register of Mesne Conveyances for Beaufort County, South Carolina in Deed Book 319 at Page 739 (hereinafter "Master Deed"), which Master Deed and By-Laws attached thereto have been subsequently amended by instruments recorded in said Office of the Register of Mesne Conveyances; and

WHEREAS, as part of the aforementioned Master Deed and attached By-Laws of Swallowtail at Sea Pines Horizontal Property Regime, American Resort Properties, Inc. caused to be created a non-profit corporation known as Swallowtail at Sea Pines Owners' Association, Inc. (hereinafter referred to as the "Association"), which Association and its Board of Directors has certain powers and duties as more particularly described in Section 12 of the aforementioned By-Laws; and

WHEREAS, the President of the Swallowtail at Sea Pines Owners' Association initiated a Special Meeting of the Association for the purpose of voting upon certain proposed amendments to the Swallowtail at Sea Pines By-Laws, to wit: (1) to amend Article IV, Section 1 to provide for more persons on the Board of Directors; and (2) to amend Article III, Section 3 to allow flexibility in the date and time of the Association's Annual Meeting; and

WHEREAS, there were 1243 owners of record for the 37 units in the Regime as of July 1, 1991, with each owner entitled to 1/51 of the total vote assigned to his/her/its Unit pursuant to Article II, Section 2 of the Association's By-Laws; and

WHEREAS, Article X of the By-Laws provide that they may be amended by an affirmative vote of the voting members casting a majority of the total votes of the members of the Association provided that such amendments have first received the unanimous approval of the full Board of Directors; and

WHEREAS, said amendments received the unanimous approval of the Association's Board of Directors and were subsequently approved and authorized by the members of the Swallowtail Owners Association by separate voting at a Special Meeting of the Association held on July 11, 1991, with a total of 1041 owner votes being cast in the affirmative, and 51 in the negative as to Amendment No. 1, and with a total of 1078 owner votes being cast in the affirmative, and 14 in the negative as to Amendment No. 2.

IN WITNESS WHEREOF, the Swallowtail at Sea Pines Owners' Association, Inc. has caused this instrument to be executed this ___ day of September, 1991.

WITNESSES:

SWALLOWTAIL AT SEA PINES OWNERS' ASSOCIATION, INC.

Sherry Ward

By: Bron A. Foster
Its: President

Ch Hernandez

Attest: Richard D. Buswell
Its: Secretary

STATE OF _____)
COUNTY OF _____)

PROBATE

PERSONALLY appeared before me PETER R. EVANS who, on oath, says that s/he saw the within-named SWALLOWTAIL AT SEA PINES OWNERS' ASSOCIATION, INC. by Bron A. Foster, its President, sign, seal and by RICHARD G. BUSWELL, its Secretary, attest and deliver as the act and deed of said Corporation the within written Amendment to By-Laws of Swallowtail at Sea Pines Horizontal Property Regime, and that s/he, together with Sherry Ward and C. Hernandez witnessed the execution thereof.

SWORN to before me this 14th day of ~~September~~, 1991.
May, 1992

Ava N. Cotney
Witness

Gail H. Denker (SEAL)
Notary Public for State of Florida
My Commission Expires: 4/16/95

Notary Public, State of Florida
My Commission Expires Sept. 16, 1995
Bonded Thru Troy Fain - Insurance Inc.